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**A SHORT HISTORY OF
INTERNATIONAL
AFFAIRS**

1920 to 1934

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A SHORT HISTORY OF INTERNATIONAL AFFAIRS

1920 to 1934

By

G. M. GATHORNE-HARDY

Preface by

THE RT. HON. LORD EUSTACE PERCY, M.P.

Of revolutions and intrigues,
The War, its causes, course, and crime,
The ups and downs of pacts and leagues,
And wounds as yet unhealed by time ;

Such are the themes you treat, who dare
(A risk which many a heart dismays)
To stir hot ashes, which may flare
At any moment to a blaze.

HORACE, *Odes*, II, 1.

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PREFACE

THE first original contribution which the Royal Institute of International Affairs made to the study of international relations has been Professor Toynbee's *Annal Survey*. That is an attempt, and may claim to be a successful attempt, to apply the art of the historian and the methods of historical scholarship to the chronicling of contemporary events. It is in this form that contemporary history must be written for serious students, whether actors on the scene of international relations or merely observers. Provisional conclusions, hints of failure or possible success, suggestions of trend and rhythm, which are all that To-day can hope to gather from the memory of Yesterday, come home to such students with most force when they emerge from current narrative. But there are many others interested, as all thinking people must to-day be interested, in the course of international affairs, to whom intensive and progressive study of this kind must be impossible. The question arises whether we have not now reached a point when some kind of retrospect is possible over the events of the last fifteen or sixteen years, and when those events can be focused in one book neither too long nor too detailed for the general reader. It appeared to the Institute that the attempt was at least worth making; Mr. Gathorne-Hardy undertook the task, and this book is the result. As with all publications issued under its auspices, the Institute takes no responsibility for any views expressed by the author; and the character of the task undertaken by Mr. Gathorne-Hardy makes this book peculiarly his own.

The writing of such a book raises an interesting problem of method. How is the focus to be secured? Obviously, it cannot be secured by the mere piling up of accumulated facts; the grouping of facts is of the essence of history. Yet how can they be grouped? The historian of the remoter past gets his focus by the completeness of the story which he has to tell. He knows how it ends. The end is, of course, never a final one and, in modern history especially, the historian must avoid the assumption that it is the best end in the best of all possible

worlds. But, though it is not an absolute standard by which he may judge the wisdom, still less the nobility, of men's acts, it inevitably determines the form of his study. The achievement of a united Italy justifies no final judgement on Metternich, or Mazzini, or Cavour, but it gives at least one point on which their lives may be seen to converge. But the contemporary historian cannot with any certainty discern even one temporary halting place at which the course of events which he is tracing will debouch. If he is to provide a focus, he must find it, not in the end, but in the beginning of his narrative. He must take a compass bearing and estimate the direction in which events were moving at the outset. But such an estimate must be a mere hypothesis and it must, therefore, be explicitly stated, in order that the reader may have no cause to fear some hidden grouping of facts, some tacit process of selection and arrangement. In other words, the contemporary historian must borrow for the nonce the method of hypothesis used in scientific research. To some extent that method must be used even by the chronicler, but to the retrospective summarizer it is indispensable.

This is the method adopted by Mr. Gathorne-Hardy. In his first chapter he has stated clearly his estimate of the direction taken by the policies of statesmen in the Peace Settlement. It is not, of course, by any means the only estimate that can be put forward; indeed, it is not the one most commonly put forward by writers on these subjects. That may, however, be an advantage. These last fifteen years have presented in politics some of the features of a period of rapid advance in scientific discovery, when experiment tends to outstrip the hypotheses from which it started. At the end of the war we felt that we were discovering a new world and we have, in fact, made many novel and exciting political experiments. We have been stimulated in this course by certain assumptions as to the character of our new world, and by the belief that these assumptions would prove true if we only brought courage and goodwill to the task of political construction. In the last two or three years, however, we have begun increasingly to doubt whether these sanguine hypotheses entirely fit the facts. The new order of political society seems to be very

different from what we had been led to expect. The time may well have arrived when, if we are to see clearly, we should look again at the facts of the modern world from a slightly different angle, always provided that the change in the point of view does not conceal any of the facts of the past or obscure any of the issues of the present. And here Mr. Gathorne-Hardy seems to have done his work with great candour and judgement. The reader who rejects from the outset the point of view set out in the first chapter will find the facts of the past set out in the subsequent chapters, fully and without bias, in objective and dispassionate narrative; and he will find the issues of the present set out in the last pages in terms which will probably satisfy him, whatever may be his own point of view. A hypothesis which thus covers the facts and illuminates the issues is not necessarily true, but it fulfils all the requirements of scientific method, and it avoids the greatest danger which threatens the historian and the student of contemporary events—the danger of unconscious bias and tacit assumptions.

EUSTACE PERCY.

INTRODUCTION

THE increasing interest shown by the public in questions of foreign relations has suggested the production of a brief history of the course of international affairs since the War, summarizing the main developments in a single volume. This suggestion—which came, I understand, originally from the publishers of Professor Toynbee's annual *Survey of International Affairs*—was adopted by the Publications Committee and the Council of the Royal Institute of International Affairs, at whose invitation I accepted the task of preparing such a volume. In order to catch up with the stream of rapidly moving events, it has been necessary to work quickly, and the task would have been impossible without making use, to an extent which calls for the fullest acknowledgement, of the material ready to hand in Mr. Toynbee's *Surveys*, which have been placed unreservedly at the writer's disposal as a basis for his work. The use made of these volumes has occasionally even gone so far as the incorporation of their actual phraseology, and the same strict limitations of the subject-matter have been adopted: neither the domestic history of particular countries, however important, nor events in the sphere of British Imperial relations having been included.

The book is not, however, in any sense an abridgement of the annual *Surveys*. Many matters of minor importance, included in them, have been altogether omitted, in order to find space for adequate treatment of the principal issues. The material has been freely handled, and for the arrangement and presentation, as well as for the views expressed, the author is alone responsible. Many other sources have been utilized, especially articles and information in the fortnightly *Bulletin of International News*, issued from Chatham House, and addresses published in the Journals of the Royal Institute of International Affairs. In the earlier chapters, constant reference has been made to the *History of the Peace Conference of Paris*, the first work published under the auspices of the Institute. In dealing with the Turkish peace settlement, an event which neither the *History of the Peace Conference* nor the annual *Surveys*

were in a position to treat adequately, it has been necessary to consult other sources; indeed, material of all kinds has frequently been used throughout the work.

The fact that the book was prepared under the auspices of the Royal Institute of International Affairs has given the writer the advantage of full access to all the information at its disposal, and, above all, the generous provision of advice and criticism by a considerable body of distinguished authorities, who have undertaken the labour of reading individual chapters, and in some instances the whole work, in its first draft form. It is hoped that these kindly critics will see from the modifications made that their suggestions have been found of the greatest value. Not all wish their names recorded, and it would therefore be invidious to make individual acknowledgements, but I may, perhaps, be allowed to thank my friend Professor Toynbee for his sympathetic advice, and also to record my indebtedness to the staff, and particularly to the Information Department, of Chatham House.

This intimate relationship with the Royal Institute makes it the more necessary to emphasize that no one but myself is responsible for views or opinions expressed. In the endeavour to render readable the highly congested material included in the volume, I have felt it desirable to give decided expression to my personal attitude, without, it is hoped, concealing or misrepresenting alternative views. Any keen student of international affairs must necessarily develop strong and controversial opinions, which it would be hypocrisy to disguise. But I have endeavoured to be strictly impartial in my presentation of the facts.

July 1934.

G. M. GATHORNE-HARDY.

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PART I

THE PERIOD OF SETTLEMENT

1920 *to* 1925

I

THE WORLD IN 1920

The Pre-War System

THE writer of post-War history appears to have one advantage over historians who deal with other periods. There is as a rule no clearly defined starting-point. The creation of an historical epoch is usually more analogous to the modernists' evolutionary Genesis than to the conception supported by old-fashioned fundamentalism. But, superficially at any rate, the ratification of the Treaty of Versailles in the first month of the year 1920 (January 10th), and the meeting, a week later, of the Council of the League of Nations, seem to mark the inception of a new order so completely different from the old that to many who reached man's estate before the turn of the century the process of adjustment to post-War mentality is a task of almost insuperable difficulty. Conversely—and this is a matter of far greater importance—the generation now being educated undoubtedly suffers from a serious inability to appreciate the aims and methods and the point of view of the statesmen who were faced with the crisis of 1914. Without the background given by a dispassionate study of the pre-War system, without a sympathetic acknowledgement of the measure of success which it undoubtedly achieved, as well as of the causes of its eventual failure, there can be little hope that those on whose shoulders rests the future destiny of the world will be adequately equipped for their grave responsibilities.

The wholesale abandonment of traditional standards in almost every department of life has left a large part of the younger generation without the roots upon which civilization depends for its stability. This revolt seems to be largely due to a belief, sedulously inculcated by some who should know better, that their elders were capable of nothing better than a disastrous and avoidable folly, which has landed the youth of the world in troubles which they have done nothing to deserve. No good is done by the unthinking adoption of such

popular clichés as 'the international anarchy', applied to the methods by which the affairs of the world were controlled up to 1914. The phrase, indeed, suggests a rather unjustified arrogance, on the lips of a community which after twenty years is living in an atmosphere of unprecedented and continuous crisis, in paralysed expectation of the recurrence of that war which practically all its peoples have individually and solemnly renounced. The rising generation would do well to reflect that the older system so contemptuously dismissed succeeded, in the opinion of an historian as objective and unreactionary as Professor Mowat, in preventing 'at least seven great European wars'¹ between 1871 and 1914. It has yet to be proved whether the system which has replaced it can claim an equal measure of success, and it should be borne in mind that this was achieved in a world which regarded war as a legitimate, though extreme and exceptional, instrument of policy. What the old diplomacy could have accomplished, had it been resolutely determined upon the elimination of war from its programme, can never be demonstrated, since its conception of its task was different.

The Concert of Europe

The outstanding feature of the earlier system was the control exercised, in co-operation, by a few great European Powers. Like many arrangements which work well in practice, this 'Concert of Europe' had no acknowledged constitutional basis, but had evolved naturally out of the necessities of the situation. The Concert was based on the aristocratic theory that a crisis could be most effectively dealt with by consultation between those Powers which had the widest and longest experience of international relations, and, while possessing the force to support their decisions, had a vital stake in the avoidance of disorder, since each of them had attained a position where far more was risked than gained in a disturbance of the *status quo*. War, to each of them, involved so serious a dislocation of national life, so doubtful a result, and such a wasteful expenditure of life and treasure, that its avoidance had become far more necessary to them

¹ Mowat (R. B.): *The European States System*, p. 80.

than to more primitive nations. Even if one of them was disposed to venture on a breach of the peace, the rest could be relied upon to exert great pressure to dissuade it. The preservation of world peace rested, in fact, upon a basis of enlightened self-interest.

In this there was the manifest and recognized danger that self-interest might assume another and less wholesome form in the eyes of any Power or group of Powers which saw a chance of establishing an unquestioned predominance. It was to meet this danger that the political expedient was evolved which has long been known as 'the Balance of Power'.

The Balance of Power

The principles underlying this expedient are now so widely misunderstood, and the term so misapplied, that it is of fundamental importance to start with clear notions on the subject. The idea may be traced back to the earliest times, and, though sometimes wrongly or imperfectly applied, was a generally accepted principle in international relations right down to the Great War. The War, however, is said to have discredited it irretrievably, and it is quite true that the system which went by that name in 1914, though capable for some time of postponing the evil day, led to such an accumulation of power in two armed camps that the eventual explosion was fraught with unprecedented catastrophe. But, when the opinion is constantly quoted with approval that the War 'for ever discredited the great game of the Balance of Power', it is permissible to suggest that the situation is wholly misconceived, and that in fact the Great War and its agonies were the inevitable effects of the abandonment, at an earlier date, of this time-honoured policy.

The Balance of Power, as it was understood from the days of Polybius to Castlereagh and even later, is correctly defined in the *Encyclopædia Britannica* as the maintenance of 'such a "just equilibrium" between the members of the family of nations as should prevent any one of them from becoming sufficiently strong to enforce its will upon the rest'. Reduced to practical politics, it involved collective action against such

a threat to the security of the community as was involved in the disproportionate strength of a potential aggressor. Thus regarded, it has manifest points of resemblance to the machinery for collective security envisaged in the Covenant of the League of Nations. It is therefore one of the points wherein the pre- and post-War worlds are nearer together than at first sight appears. Both systems, indeed, rely on sanctions, but the law which the sanction is directed to enforce is different in each case. The Balance of Power says, 'Thou shalt not grow formidable'; the post-War system, 'Thou shalt not resort to war'. In fact the essential differences are that the older system attempts to meet the peril at an earlier stage, and that it does not invoke the community to prevent all wars, but only those which involve unpleasant consequences to that community as a whole. The question which method is the more practical is distinctly arguable.

Now the Balance of Power broke down, just as the post-War substitute is at the moment of writing threatened with break-down, through isolationism and reluctance to join in collective action. Bismarck launched the German Empire on the course leading to disproportionate power by means of three wars, with none of which was there any general interference. It grew so great that, like the mass of the sun, it attracted satellites into its system, and the final stage before the Great War was not the application, in any real sense, of the principle of the Balance of Power, but a frantic and hopeless attempt to catch up with a lost opportunity, and to redress a balance for which no sufficiently powerful counterpoise was now available. The essence of the situation was the might of Germany. If we imagine the rest of the world neutral, and think in terms of Germany single-handed against the Triple Entente, we must now confess that the issue would still have been in doubt, and the struggle probably long and calamitous. What the Great War really discredits is not the Balance of Power, but short-sighted isolationism.

Great Britain, indeed, remained blind or indifferent to this threat to European equilibrium, until, in 1900, Germany embarked on the creation of a large navy. This woke her at once from her dreams of 'splendid isolation'. In 1901 came

the Anglo-Japanese alliance, and in the following years the beginnings of an approach to France which gradually developed into the Entente. A stage had been reached when the preservation of peace was seen to be no longer ultimately possible, and the main consideration of the Great Powers was that the inevitable contest should not find them unprepared. Two or three more dangerous crises were successfully negotiated by the old diplomacy—Algeciras, Bosnia, Agadir—and then the end could be no longer postponed.

World-predominance of Europe

In the early part of the nineteenth century the Great Powers of Europe numbered no more than five—Austria, France, Great Britain, Prussia, and Russia. Since in the domain of foreign affairs Great Britain spoke for her whole Empire, and since the seas of the world were controlled by the unchallenged strength of the British Navy, the influence of Europe was predominant over the whole globe, while at the same time no world war was possible without British intervention. It is true that America, with the exception of Canada, stood outside the system, by virtue of the Monroe Doctrine, but this doctrine, as the famous phrase of Canning testifies, was, in its inception, quite as much an extension of the European policy of balance as a unilateral declaration by the United States. It meant that the American continent was thenceforth a forbidden field for the aggrandizement of a European Power, much as Constantinople became during the progress of the century; the policy, from the standpoint of Europe, was directed to prevent a disturbance of the balance of power, on exactly the same principle which had aroused combined opposition to a Franco-Spanish *Anschluss* in the days of Louis XIV. The European system, therefore, may be said to have dominated and controlled the world.

During the course of the nineteenth century this hegemony of the European Great Powers became apparently challenged both at home and abroad. Outside Europe, two new Powers acquired first-rate importance—the United States and Japan. The authority of a purely European combination was further weakened by the fact that the overseas partners in the British

Commonwealth, and the Latin-American republics, had relatively increased in strength, and become involved more closely than before in the main system of political relations. In Europe, meanwhile, an even more important change was in progress, due to the nationalist movement which is the salient feature of the century.

Nationalism

In a sense, no doubt, national sentiment is almost as old as the world. But in the sense of admitting a claim on the part of racial and linguistic units to control their own destinies, it was an extension of the democratic ideas of the French and American revolutions, which introduced an entirely novel factor. It cut clean across the hitherto accepted organization of Europe or the world, and immensely complicated the problem of control. Its first important effects appeared in regions where the racial and linguistic unity was wider than existing frontiers. A new Great Power was added to the Concert by the unification of Italy, while the consolidation of the German Empire was in itself a serious modification of the existing balance of power, through the immense accession of strength which it afforded to Prussia. In these two regions, however, nationalism was a unifying force. It was otherwise in eastern Europe, and particularly in the domains of the Austro-Hungarian Empire, where the growth of a national consciousness, linked as elsewhere with the factors of race and language, was a purely disruptive influence, which, in the favourable circumstances of the War, shattered the larger units in which it had been confined. Even before the War, Austria-Hungary, internally weakened and externally disturbed by nationalistic movements, was threatened with a dissolution which could not but prejudicially affect the existing equilibrium.

Industrialism

Another force which had been simultaneously developing with similar results was that of industrialism. This in its early stages had favoured the growth of Great Powers with their

satellite colonies and spheres of influence, since economic independence remained possible to large areas alone; but, as the process advanced, this *raison d'être* disappeared, as the scope of commerce and industry overflowed all frontiers and assumed a world-wide character. This tendency, therefore, like the other, seemed likely to leave only the solution of cosmopolitan co-operation in the management of world affairs, while at the same time removing one of the objections to the fulfilment of nationalist aspirations.

The Post-War World

We are now in a position to contrast the map of the world, as it appeared to observers in 1920, with that of 1914. The development of industry had converted a large-scale atlas into a small-scale globe. The growth of two extra-European Great Powers, the United States and Japan, had diminished the importance of the old Continent, as had the increase in individual importance of the Dominions of the British Empire and the Latin-American republics. At the same time, the three great empires which had contributed half the membership of the former Concert of Europe had fallen in ruins, and, of these, Germany was for the moment impotent, and Austria-Hungary dissolved into its component fragments; while from Russia, which had also partially disintegrated, co-operation in the ordering of world affairs was neither sought nor proffered. The remaining Great Powers were politically and economically exhausted. As a corollary, President Wilson had achieved that decisive influence in the evolution of the new order which he had contemplated even in the earliest stages of American neutrality. The policy pursued at the Peace Conference had effected another no less important change in the European situation. The casualties in the ranks of the Great Powers had been compensated by a remarkable increase in the numbers of the smaller. The new map contained some names which were entirely unfamiliar, others, like Poland and Finland, were new in the list of independent sovereign states, the mutilated remains of Austria and Hungary now formed two separate nations, and, though

Montenegro had been absorbed, the number of states in eastern Europe had risen from seven to fourteen.¹

It seemed that the predominance of Europe and its Concert was at an end, and that the future basis of government must be a world-wide democratic internationalism. At the same time, the War, with the deliberate encouragement of the American President, had resulted in the complete and apparently final triumph of nationalism. The problem was to harmonize these two inconsistent principles.

The League of Nations

The international side of the new organization was developed in the articles of the Versailles Treaty which comprise the Covenant of the League of Nations. This organization was, however, the offspring of a marriage of two separate lines of thought. In one of these, which was developed by Mr. Taft and others in the United States even before President Wilson became its advocate, the stress was on organized force; there was to be a 'League to *enforce* peace'. This aspect found support, at the Peace Conference, in the French desire for organized security. On the other hand, the typical British attitude to the problem was extremely hesitant in its approach to the notion of enforced peace, and even in its acceptance of the principle of compulsory arbitration. The British solution was rather an extension of the method of the former Concert of Europe, through wider international consultation and co-operation. It was thus more evolutionary than the other. If the 'Fourteen Points' are consulted, we find that a general association of nations is projected 'for the purpose of affording mutual guarantees of political independence and territorial integrity'. It is noteworthy that in this proposal the word 'peace' is not mentioned and international co-operation is restricted to one limited object; the thing described might

¹ Excluding Turkey from both lists, since after 1913 she was mainly an Asiatic Power, and Albania from 1914, since her independence had hardly been consummated.

1914: Russia, Austria-Hungary, Serbia, Montenegro, Bulgaria, Roumania, Greece.

1920: Russia, Finland, Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Austria, Hungary, Yugoslavia, Albania, Bulgaria, Roumania, Greece.

well be a wide system of alliance for the forcible protection of the *status quo*. If, on the other hand, we look at the preamble to the Covenant, the purpose placed in the forefront is 'to promote international co-operation', and the preservation of peace is almost equally prominent. The League is thus, from one point of view, emphasized in Article 10, the bulwark of a territorial settlement constructed on extremely nationalistic lines, and from another the instrument of the new internationalism. Thus the two inconsistent principles, the harmonizing of which has already been indicated as the crucial problem of the settlement, are incorporated in the fabric of the League itself, and the questions arise—will such a harmony be found possible, and, if not, which of its two parents will the offspring eventually be found to resemble? The success of the project further depended upon the validity of the assumption that the whole world was now, or was capable of becoming, for major purposes a co-operative unit. The withdrawal of the United States, and their interpretation of the Monroe Doctrine, embodied in the Covenant, as a 'regional understanding' (Article 21), at once tended to make the organization of the world hemispherical as opposed to global. Apart from this, it remained questionable whether a world organized on a national basis could display a sufficiently unselfish spirit of collaboration to implement the provisions for security. Failing this, or even if the possibility of failure was suspected, the formation of alternative regional alliances, which President Wilson rightly saw to be almost incompatible with his system, was really inevitable. The complicated exigencies of the Peace Settlement, moreover, introduced from the first a sort of dual control in international affairs. Many of the most important issues, related as they were to the carrying out of the terms of the Treaties, necessarily remained under the control of the Supreme Council of the Allies, and a succession of conferences between the members of this body, from which America was now dissociated, at once took place, thus reviving in effect a Concert of Europe. The same method, of independent conference, was inevitable in any case with which a Power outside the League, e.g. the United States, was concerned. There was thus from the first

a danger or likelihood that this institution of diplomacy by conference apart from Geneva would grow in popularity, till the Great Powers, who already had a predominant influence in the League through their permanent seats on the Council, succeeded in making the League itself of secondary importance, a mere alternative field for their diplomacy. This would mean a progressive return, for good or ill, to the old decreed system.

The League, however, was the great constructive idea of the Peace Conference, fully international in spirit, and capable of becoming a magnificent instrument of peace in the hands of members determined to use it disinterestedly. It was the other, or nationalistic, side of the Peace Treaties, which contained the seeds of future trouble. It is necessary to emphasize that this side was as deliberately introduced as the other.

The Nationalistic Principles in the Settlement

Few apologists can now be found for the settlement of 1920, but much of the criticism against it has been misdirected. It is not where they fail to carry out the ostensible principles of the settlement that the Treaties threaten the future peace and stability of the world. It is customary to urge that a satisfactory result was, in the circumstances of the time, impossible. The statesmen in Paris, it is said, on the one hand were confronted by insistent demands for the demobilization of war-weary nations, under pressure of which the rapid dissolution of their forces rendered hasty action imperative, and on the other hand were compelled to work in an atmosphere of passion wholly unfavourable to sober decisions or a durable policy. There is doubtless truth in this, but the legend that the peace was ruined by the substitution of Machiavellian principles of the 'Old Diplomacy' for the ideals on which it purported to be based must certainly be denied. On the contrary there has surely seldom or never been constructed a peace of a more idealistic character.

Even if it be granted that, in the difficult and heated circumstances of the time, a strained interpretation was in some instances given to the series of pronouncements by the

American President which Germany accepted as a basis for surrender, no better result could reasonably have been anticipated by the vanquished Powers. As a contributor to the *History of the Peace Conference of Paris* points out, 'political speeches necessarily possess a vagueness and a generalized aspect which unfit them for diplomatic interpretation'.¹ Yet it may be claimed that the Treaties, broadly considered, are in fact permeated by Wilsonian principles, and further, that it is not in any departures from those principles that grave and lasting dangers to international understanding are to be found. Indeed, it may well be argued that the seeds of future discord lie precisely in those decisions which most faithfully implemented the 'Fourteen Points', and their associated 'particulars', 'principles', and 'ends'.

Mr. Wilson's share in the responsibility must not, of course, be exaggerated. Nationalistic aspirations, as we have seen, were in any case present, and the weakening of their former masters would inevitably have secured to the Succession States a large measure of autonomy. It is often pointed out that the dissolution of Austria was a *fait accompli* before the victors met in Paris. It must also be acknowledged that, by the beginning of 1917, 'the liberation of the Italians, as also of the Slavs, Rumanes, and Czechoslovaks from foreign domination' was a declared part of Allied war policy.² It should not be forgotten, however, that the note, in which the phrase above quoted occurs, was written in reply to an inquiry from the American President a short month before the United States severed diplomatic relations with Germany, and when there was already a prospect of their intervention in the War. It was natural, therefore, that it should reproduce, in general terms, the known ideas of the President. Its actual meaning must be read in the light of such declarations as that of Mr. Lloyd George, on January 5th, 1918, which disclaimed an intention to 'alter or destroy the Imperial Constitution of Germany', and stated that 'the break-up of Austria-Hungary is not part of our war-aims'. We may

¹ Vol. vi, p. 540.

² Allies' reply to Wilson, January 10th, 1917. *History of the Peace Conference of Paris*, vol. i, p. 428.

fairly assume, therefore, that, in the first place, the hopes and efforts of subject nationalities were materially encouraged by Mr. Wilson's utterances, and also, that the Allies, if left to themselves, would have carried the principles of democracy and self-determination no further than was necessary to foment a useful disaffection in the enemy countries. And, even if the break-up of the Austro-Hungarian Empire was inevitable, there is a wide difference between mere acquiescence in this situation, and making the secession of discontented subject-races the guiding principle of the settlement. The main credit, or responsibility, therefore, for the principles applied at Versailles may fairly be assigned to the American President.

Universal Democracy

The leading ideas underlying Mr. Wilson's policy may be reduced to two. The first was a bias against the form of government which had hitherto directed the affairs of the Central Powers. He believed and insisted that permanent peace was incompatible with the existence of any régime which was not fully democratic. As late as October 23rd, 1918,¹ he refused to accept as sufficient the constitutional changes which had been authorized in Germany, and hinted that nothing but complete surrender would satisfy him, so long as 'the power of the King of Prussia to control the policy of the Empire is unimpaired'. The effect of this concern for forms of government was that, in a time of unprecedented upheaval, peace could only be secured by revolution, and that large parts of Europe became committed to a political régime, in the working of which they were wholly without experience, and which ran counter to all their historical traditions.

Self-determination

An even more disastrous doctrine, perhaps, when erected into an almost immutable principle, was that of the right to racial self-determination. Like other principles to which the maxim *corruptio optimi pessima* applies, it is sound enough when not carried too far. The trouble was that in the President's

¹ *History of the Peace Conference of Paris*, vol. i, p. 131.

mind it was the key to the whole situation, and an infallible, universal panacea. As adopted by the other Allies, it was something quite different. Italy, indeed, did not adopt it: the principle was an obstacle to her claims, which she strenuously contested throughout the Conference. France, no doubt, saw in the doctrine a useful pretext for dismembering her enemies; to her and to England it also appeared in the light of a price to be paid, with due caution and reservations, for the advantage attained by fostering disaffection among the suppressed minorities of the Central Powers, but the pledges given under this head ranked no higher than those comprised in the secret treaties, in the promises to the Arabs, or the Zionist declaration by which it was sought to win the sympathy and support of Jewish opinion. All these promises must be kept, and so far as possible—which was more difficult—reconciled; but no illusion was entertained as to the efficacy of self-determination as an instrument of peace. Left to themselves, the European Allies could have been trusted to push the doctrine no further than was reasonable. English opinion as a whole had never accepted the principle: under the terser synonym of 'home rule', it had long been vigorously repudiated by a large section of the population: the British ideal was to give to a wide diversity of races so just and impartial a government that they should become loyal and contented citizens; it was not her practice to admit the claims of each subordinate fraction to independent sovereignty. It is fair, then, to lay the major share of responsibility at the door of the American President.

Yet by no means all of it. Governments may sometimes be suspected of lack of scruple, but the public opinion, without which such a struggle as the Great War cannot be carried on, must be emotionally satisfied by a noble aim and a high ideal. The sanctity of treaties, and its violation by the German invasion of Belgium, had provided this stimulus in the early stages of the contest. Something more was now needed, and in the liberation of races striving for freedom it was generally felt that this ideal war-aim had been found. This fact gave to the eloquence of Mr. Wilson a far-flung influence which it would not otherwise have attained. For the inspiration was a noble one,

free from any taint of self-seeking, and only rendered harmful by the limitations of the President's knowledge of European conditions. His error may in fact be compared to that committed by Mr. Gladstone in 1862, when he occasioned embarrassment by the statement that Jefferson Davis had 'made a nation' out of the Southern secession. Mr. Gladstone interpreted American federation in the terms of European nationalism; Mr. Wilson reversed the process by attempting to apply to the sovereign states of Europe the principles upon which his own country had been successfully built up. Each speaker suffered from a fatal ignorance of the conditions obtaining across the ocean. But the spirit which prompted each utterance must be acknowledged, even while we deplore its consequences.

As a basis of European settlement, the principle was assailable from a number of standpoints. In an age when much depends on a demonstration of the futility of war, it was surely misguided to stress its effectiveness as an instrument of national or racial liberation. It is also clear that the division of territory on racial lines must often override not only strategic considerations—which in a peaceful world might perhaps be disregarded—but also economic. The idea of self-determination, moreover, causes unrest by the fatal fascination of its appeal to primitive races, quite unfitted, except in their own estimation, to play the part of sovereign states. But the cardinal inherent vice of the doctrine lies in the fact that to apply it in practice inevitably involves its violation. In the racial and linguistic jig-saw of eastern Europe there are no clear-cut lines of demarcation.¹

The Allied and Associated Powers did what they could to secure, by means of the Minority Treaties, that the effects of such violation should be mitigated, but the fact remains. However impartially the principle might be applied, millions of Europeans would necessarily be left with a rankling grievance, which they could justify by an appeal to that principle

¹ With the actual situation in those regions, President Wilson was, as he subsequently admitted, imperfectly acquainted. 'When I gave utterance to those words', he said ('that all nations had a right to self-determination'), 'I said them without the knowledge that nationalities existed, which are coming to us day after day.'

itself. From this situation there is no escape. Finally, the extent to which the doctrine was carried into effect, by the creation of entirely new sovereign states, almost precludes the possibility of peaceful alteration, where the danger has become apparent. The old policy of 'bartering peoples and provinces like pawns in a game' had at least the advantage that a fresh barter could take place, or the pawns be moved into a position of greater safety. But, under the principle applied at Versailles, the problem appears wellnigh insoluble. Not much help is to be derived from the much-quoted Article 19 of the Covenant, relating to the reconsideration of treaties 'which have become inapplicable', a phrase which seems to rule out grounds of criticism applicable from the first. Punitive provisions, or conditions based on defensive strategy, may indeed be so described when relations grow more friendly, but how can such a reason for revision be advanced in such a case as the Polish Corridor, the population of which is now not less but more Polish than at first, and where the interest of the possessors has been strengthened by such new ties as the construction of the port of Gdynia? Its existence may, in the further words of the article, be 'a condition whose continuance might endanger the peace of the world', but if, to create this condition, a claimant has only to threaten aggression, what becomes of Article 10? The real difficulty arises from the fact that the territorial clauses of the Treaties are based, not on considerations of strategy or revenge, but on a solemn principle which endows the possessors with an increasingly incontrovertible title. Almost any proposal for revision thus assumes the appearance of an attack on the principle on which the sovereignty of a number of new states is based. It therefore fills every successor state with outraged alarm. Thus it comes about that the nations upon whose friendly co-operation the new order was based tended at once to be divided into two main groups—revisionist and anti-revisionist—ominously suggestive of the combinations which had brought the pre-War world to ruin.

On the fringe of those groups stood Italy, an ambiguous Power whom the Peace Settlement had partly satisfied and partly disappointed, a serious threat to their ultimate

equilibrium. To the east lay Bolshevik Russia, a still unsolved enigma, at best non-co-operative and credited with international aspirations which the rest of the community repudiated with horror. And to the west Great Britain, whose commercial interests called for a restoration to strength of one of the opposing forces which could not but arouse the suspicion and resentment of the other. Such was the situation which the idealism of the world and the eloquence of the American President had created, and which Mr. Wilson hoped would be 'sustained by the organized opinion of mankind', but for which his country promptly disclaimed all responsibility.

The reader may possibly find a clue to the still unfinished story which it is the object of these pages to narrate, if he reflects that the road along which the world was to travel was paved with the very best intentions.

II

WESTERN EUROPE: THE ALLIES AND GERMANY TO THE OCCUPATION OF THE RUHR

Relations between the Allies

INTERNATIONAL history in western Europe during the years immediately following the conclusion of peace was almost completely dominated by the relations between the Allies and Germany. For even where the degree of solidarity attainable between the Allied Powers themselves was not directly affected by differences of policy in regard to their late enemy, the decisions, whether in the Supreme Council or on such subordinate bodies as the Reparation Commission or the Rhineland High Commission, were liable to depend, to an important extent, on the degree of concord existing between any two or more of the countries represented. The withdrawal of the United States had reduced the membership of these bodies to a point where agreement between two nations was enough to produce an impassable obstruction to views opposed to their policy, if not an actual majority in favour of it. On the Rhineland High Commission, indeed, there remained only three Powers, Belgium, France, and Great Britain; on the other bodies which have been mentioned the Italian vote also entered into the question. In regard to the fundamental difference in point of view which developed between Great Britain and the rest in their attitude to Germany, the American defection probably deprived our country of a vote on which she could usually have counted, while the settlement of any question which might have strained the relations between France and Belgium had, as things had turned out, a far greater international importance than might otherwise have been imputed to them.

Belgium, France, and Luxembourg

Such an apple of discord was apparently provided, in October 1919, by the situation in Luxembourg. The War had inevitably severed the connexion of the Grand Duchy

with the German *Zollverein*, but, since it was impossible for this small but heavily industrialized territory to remain in economic isolation, the alternatives of a new customs union with either Belgium or France naturally presented themselves. By a plebiscite held in October 1919 the question was decided in favour of France by a considerable majority, contingently upon the arrangement of satisfactory terms between the two countries. This decision offended Belgium to the point of causing her to suspend diplomatic relations with Luxembourg, but at this point the withdrawal of the United States, in November, and the consequent cancellation of the British-American guarantee against German aggression, opened the eyes of France to the importance of friendly relations with her Belgian neighbour, with whom she concluded a defensive military agreement in September 1920; she consequently retired from the field, and a treaty of economic union between Belgium and Luxembourg was signed in July 1921. For the same reason, a *surtaxe d'entrepôt* which had been imposed by France on German goods transported through Antwerp, to the grave dissatisfaction of Belgium, was abolished in April 1921, and the way was thus cleared for the economic agreement which was signed some two years later.

This rapprochement with France was viewed with some distrust by the Flemish-speaking Belgians, who had fostered a linguistic national movement since the early days of Belgian independence. The opposition of this section at one time seemed serious, but it was conciliated by far-reaching concessions on the part of the Belgian Government in regard to the status and use of the Flemish language. Although, therefore, there were elements in her situation which still made Belgium nervous of too intimate a dependence upon France, and she became a strong supporter of the League of Nations, the principal obstacles to a co-operation in policy between Belgium and France were, almost at the outset, removed.

French and British attitudes to Germany

It was, however, almost inevitable that between Great Britain and France a wide divergence of aim and outlook

would shortly develop. The readiness of the Englishman to forget and forgive, while perhaps hardly a reason for self-congratulation, combined as it is, in continental opinion, with a proportionate inability to remember past favours and friendships, is a quality the existence of which is everywhere recognized. Moreover, in a nation to which the widest extension of international trade was a paramount interest, the ultimate recovery of Germany was not merely to be contemplated as an inevitable evil, but looked forward to as a desirable consummation. In the third place, Britain, from her world-wide responsibilities, was naturally prone to take a broad view in international affairs, which her chief ally, preoccupied with the narrower objective of her own security, could hardly be expected to share. France was rather in the situation of a boxer who has laid out the former champion by a well-planted blow, but is still too dazed to be certain whether his opponent has been or will be 'counted out'. The terms of the ring are perhaps inappropriate, for, without apportioning blame to one side rather than the other, it must be admitted that the recent contest had been one in which 'Queensberry' rules had been conspicuously disregarded. From France, forgetfulness of past injuries, even if desirable, was scarcely to be expected. Searching vainly, in a chaos of water-logged shell-holes, for a brick to indicate where a smiling village had previously stood, she would have been less or more than human if her thoughts had not concentrated on reparation for her injuries and permanent security against their repetition. The late War was, moreover, the second round which she had fought, within living memory, against the same opponent, who had renewed the struggle with a flagrant disregard of treaty obligations and his plighted word, and by whose unprecedented adoption of poison as a weapon the lungs of many a French soldier were still affected. We may dispute the soundness of French policy in the calm light of reason, but we cannot feel either surprise or indignation if to France for some years a German was still the *sale Boche*, a creature to be feared, to be hated, and never to be trusted.

Administration of the Saar

Apart from the fundamental cleavage of opinion on the main question of reparation,¹ the friction between French and British points of view was destined to be stimulated by two other factors arising out of the Peace Settlement, the administration of the Saar and the Rhineland occupation. Under the Treaty, the coal-mines and plant of the Saar territory were transferred to France as her absolute property,¹ the ultimate sovereignty of the region was left to be determined by a plebiscite in the year 1935, and, in the meanwhile, the Government of the territory was entrusted to a commission under the auspices of the League of Nations, to whose trusteeship it had been assigned. The chairman of this Commission was a Frenchman, M. Rault, there was a German local representative, and the remaining three places were filled by a Belgian, a Dane, and a Canadian.

This arrangement might seem calculated to ensure an impartial administration, but, since the Danish member was criticized in some quarters for being unduly subject to French influence, and the Belgian representative might be expected to agree with the French view, there was, in fact, some suspicion, whether well grounded or not, of the machinery of government thus constituted. The German member soon resigned, and his successor did not meet with universal approval, while the Canadian, who frequently found himself in a minority of one, relinquished his position in 1923. At the time when the Commission entered upon its duties, a French garrison was still in occupation of the province, and this was retained, pending the formation of a local gendarmerie, the slow materialization of which was the subject of protests from the German Government to the League. On pressure being brought to bear by the Council, a reduction in the garrison from 7,977 in 1920 to 2,736 was reported in 1922, but the numbers were again considerably increased by April 7th, 1923, in

¹ Subject to a right of re-purchase by Germany, in the event of the return of the territory to her, at a price to be fixed by three experts, nominated respectively by France, Germany, and the League of Nations: the decision to be made by a majority vote.

consequence of the disturbances in the area in the early part of that year.

The question whether the maintenance of the French garrison was consistent with the Treaty was raised in an acute form as early as July 1920, when a strike of officials, who were dissatisfied with the system of pay and pensions arranged by the Commission, was broken by military intervention. The administration by the Commission gave rise, perhaps unavoidably, to various minor grievances, but a critical state of affairs developed in the spring of 1923, owing to the measures taken to cope with a miners' strike, which was largely connected with the tension created by the Franco-Belgian occupation of the Ruhr. In his criticism of these measures the British delegate on the Council of the League was brought into conflict with the French representative, and some strong words used in a debate in the British Parliament served to increase the tension between the two countries.

The Rhineland Occupation

Apart from the differences which arose during the period of the occupation of the Ruhr and over the question of the Separatist movement, both matters which call for later treatment, the divergence between the French and British attitudes was mainly shown, in the Rhineland occupation, by the marked difference in the spirit in which the occupation was carried out.

Internal Situation in Germany

There can be no just appreciation of the policy which it was desirable for the Allies to pursue towards Germany without some understanding of the internal situation in that country. The revolution of 1918 had the effect of placing political power in the hands of men who were altogether unprepared to exercise it. The change was too sudden. Up to the resignation of Hertling, on October 1st, 1918, no progress had been made in the direction of establishing responsible parliamentary government, though the matter, particularly since President Wilson's speech of January 8th

and those which followed it, had become a live political issue, and promise of some measure of reform had been held out by the Imperial rescript of July 11th, 1917. Prince Max of Baden, whose succession to the Chancellorship marked the beginning of the armistice negotiations, introduced on October 22nd, 1918, his proposals for constitutional change in a democratic direction, and had treated the adoption of these changes as a foregone conclusion in the note dispatched to the American President two days earlier. The alterations proposed, however, were entirely constitutional. It was Mr. Wilson's reply to this note on October 23rd, with its marked insistence on 'the power of the King of Prussia to control the policy of the Empire', and its refusal to deal with 'monarchical autocrats' on any other terms than those of surrender, which rendered revolution inevitable. Except for the naval mutiny at Kiel on October 28th, there was no revolutionary outbreak until November 7th, when it took place in Bavaria; there were thus but two days before the Kaiser's abdication and flight on November 9th, Prince Max's resignation, and the proclamation of a republic on the same day.

Control suddenly passed into the hands of the Socialists,¹ only an extreme section of whom was in any real sense revolutionary. These, the Spartacists, with their approximation to Bolshevism and proneness to methods of violence, inaugurated an era of street-fighting, ironically confined to the political parties of the Left, an irony enhanced by the fact that the only force on which the Government could rely was composed of relics of the old army officered by avowed reactionaries. That the scale turned in the direction of bourgeois control, and the menace of Bolshevism was repelled, was largely due to the authoritarian training received by the German people under the régime which President Wilson had deliberately overthrown. But, though disturbances continued for some time, the elections of January 1919 placed a coalition of moderate parties in power.

Upon these, and their successors, for in spite of changes the Government continued to be of the same character, rested the

¹ See on this, Bonn (M. J.): *Crisis of European Democracy*, pp. 48-9.

responsibility and the necessary odium of accepting, and attempting to fulfil, the peace terms imposed at Versailles. Their position, opposed by Nationalist extremists on the one hand and by revolutionary Socialists and Communists on the other, was obviously very precarious, and it might appear to have been in the interests of the Allies to show sympathy with their difficulties and give support to their administration. Both the dangerous factions had been joined, in accordance with their different political leanings, by disbanded officers, non-commissioned officers, and men from the army, whom the peace had thrown upon the world discontented and without prospects. These were organized into what were known as *Frei Korps* by self-appointed leaders. The attempted disbandment of one of these was the cause of a serious incident in March 1920, the Kapp *Putsch*, when the Government was temporarily ejected from Berlin and an immediate election demanded, in the hope, apparently, of a monarchist majority. Though this movement quickly collapsed, largely through the organization of a general strike, which proved that public sympathy was on the side of the recognized administration, it was immediately followed in the industrial region of the Ruhr by disturbances of a communistic complexion, which brought the question of Allied policy prominently forward. The disturbed area was within the demilitarized zone, and to deal with the danger the German Government requested permission to introduce troops into the district additional to those which they had been allowed to retain there for a period which was shortly due to expire. The British were inclined to favour the request, but the French were opposed to it; and, on the Germans taking matters into their own hands, the French, without consultation with their Allies, occupied the towns of Frankfurt and Darmstadt. This incident, which increased the tension between the Allies, was, however, satisfactorily settled in the month of May. But the effect was felt in the ensuing German elections, when both extremist parties were considerably strengthened, with the result that a series of weak and unstable administrations followed for the next few years.

War-Guilt Clause

Of the principal sources of grievance to the German people which stimulated extremist tendencies, those connected with disarmament and reparation will be dealt with separately. Apart from these, the War-Guilt Clause in the Versailles Treaty (Art. 231) created a surprising degree of resentment. It might have been regarded merely as a characteristic expression of a transient emotion, and, having been accepted under duress, could not be considered a genuine admission of responsibility. But standing as it did at the head of the Reparation section of the Treaty, it might be interpreted as being the ground on which the demands which followed stood or fell; Mr. Lloyd George, indeed, gave support to such an interpretation in a statement made during the London Conference in March 1921. Such a theory is not, however, tenable, since the actual claim to reparation is clearly referable to the conditions agreed before the Armistice (see p. 28), and the War Guilt Clause is in fact just as out of place in a formal statement of terms imposed upon an enemy as the corresponding statement, in the Disarmament section, of the Allies' desire and intention to reduce their own armaments. (See Chapter V, p. 52.) Nevertheless, the imputation of war-guilt, which represented, no doubt, the sincere conviction of all the Allies, and which still remains, in the minds of many impartial persons, substantially if not literally true,¹ was the cause not only of an abiding irritation in Germany, but of most laborious and voluminous documentary efforts to disprove it.

War Criminals

The stipulations in the Treaty for the surrender and prosecution of the Kaiser and of persons charged with violation of the laws and customs of war were more readily cleared out of the way. It may be doubted whether the suggestion of proceedings against the ex-Emperor would ever have been made had not the defendant already removed himself to a

¹ See a letter from Professor Zimmern, *Journal of the British Institute of International Affairs*, 1923, p. 87.

place of safety. In spite of high legal opinion as to the existence of a case, the suggestion, even when first made, aroused considerable doubt and even amusement in the purlicus of the Temple, and it is charitable to assume that it represented, in reality, a harmless method of allaying contemporary popular feeling.¹ Even if the matter was not pre-arranged, the attitude of the Dutch Government in refusing to surrender the fugitive was unassailably correct, and a different result can hardly have been expected, even if it was desired.

With regard to the other class of accused persons, the Allies, in response to German representations, showed themselves more accommodating than usual. For the scarcely justifiable course proposed in the Treaty, of making the aggrieved parties judges in the case, a trial before a German tribunal was properly, if rather generously, substituted. Twelve test cases were selected, and the trials, which took place in Leipzig in 1921, resulted in six convictions, the British charges, at any rate, being satisfactorily vindicated by a record of only one acquittal. This termination to the assertion of so unprecedented a claim in the Treaty may therefore be said to have been on the whole satisfactory.

¹ The proposal has, however, considerable significance as evidence of a disposition, new in history, to regard war as a crime. The emotions behind the peace settlement are historically important, even though we may feel that emotion has no proper place in a treaty.

III

THE REPARATION PROBLEM: TO THE OCCUPATION OF THE RUHR

The Moral Aspects of Reparation

CONSIDERED from an academic standpoint, there can hardly be a doubt as to the well-established right of a victor to recover, if he can, and in the absence of agreement to the contrary, the whole costs of a war from his defeated antagonist. This right is completely independent of any question as to the moral or legal responsibility of either party for the hostilities; the question of war-guilt is, therefore, wholly irrelevant. But the immense scale of the War of 1914-18 rendered it obvious at the outset that a claim of this description would be beyond the power of any nation to satisfy, and the Allies therefore restricted themselves, in the course of the armistice negotiations, to a claim for¹ 'all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air'. It was upon the basis of this claim that the Germans laid down their arms, and it is repeated textually in Article 232 of the Versailles Treaty. In respect, then, of any claim, however large, falling strictly within the terms agreed upon, Germany had no justifiable grievance. And in fact it seems probable that an unimpeachable claim of this description would have taxed Germany's capacity to pay to the limit.²

Unfortunately, however, the question was made to assume a more doubtful form. Very possibly the leading statesmen concerned considered from the first that what they were in fact agreeing to amounted in practice to a claim for the cost of the War to the limit of German capacity, since she could

¹ Wilson's Note of November 5th, 1918. *History of the Peace Conference of Paris*, vol. i, p. 136.

² The damage falling strictly under the agreed formula is estimated by Mr. Keynes at between 2,120 million and 3,000 million pounds. Mr. R. H. Brand, addressing a meeting of the Royal Institute of International Affairs on February 26th, 1929, stated that he originally put Germany's capacity to pay between 2,000 and 3,000 million pounds, which was 'much higher than I should put it now'.

not in any case pay a larger amount than that covered by the heads of damage properly included in the armistice agreement. Two doubtful steps which were taken thereafter may in that case have been regarded as justifiable. In the first place, it would follow that the detailed definition of the heads of damage was a matter of no consequence to Germany, though the inclusion of something which did not appear to have been originally contemplated might affect the division of the receipts as between the Allies themselves, and perhaps remedy the rather arbitrary incidence of the criterion adopted. This would explain the acceptance of the much-criticized argument put forward by General Smuts,¹ as a result of which the cost of pensions and separation allowances was added to the bill. It would further explain how Mr. Lloyd George and his supporters, in the general election of 1918, should have considered themselves entitled to state that they intended to exact from Germany the cost of the War to the limit of her capacity. In a sense, though calculated to mislead the public, it was true. The prevarication, however, came home to roost in the Peace Treaty, where it affords a reason for the presence of the 'War-Guilt' Clause (Art. 231). Articles 231 and 232 may, in fact, be paraphrased as follows: 'We have a moral claim against Germany for the whole cost of the war, but since complete reparation was obviously beyond her power, we consented at the Armistice to limit our claim to a particular class of damage (which it is anticipated will exhaust the uttermost available farthing).' It afforded an explanation to an otherwise outraged British public as to why the claim for the cost of the War had not been further pressed. The inclusion of the 'war-guilt' claim in the Reparation section of the Treaty is otherwise as inexplicable as it is irrelevant. The reparation actually claimed rested upon a clear contractual basis, on which even the doubtful inclusion of pensions and separation allowances was definitely founded.

The course adopted in the Peace Treaty was, however, unfortunate in several respects. It obscured the justice of the claim, and appeared to increase the amount to be paid by a strained interpretation of the criterion agreed on. It

¹ *History of the Peace Conference of Paris*, vol. v, p. 372.

also fostered exaggerated ideas of the amount which would be forthcoming, and therefore encouraged on the one hand a degree of pressure on Germany and on the other an obstinate resistance on her part which were destined to prove disastrous to the economic welfare of the world. The degree to which public expectation had been aroused rendered it impossible to set down a sober estimate of the total, and the Treaty therefore left the amount of the claim for future settlement, laying down, not what Germany was to pay, but what she was to pay for. The satisfactory settlement of the matter was thus unduly postponed.

Economic Aspects of the Problem

The economics of the reparation problem form far too complicated a subject to be dealt with in a volume of this size, except in the most superficial way. All that can be done is to indicate a few of the more obvious features, of a kind readily intelligible to the 'man in the street'. As a preliminary observation it may be pointed out that the capacity of Germany to pay is a matter on which widely different estimates can be formed, according to whether the ultimate recovery of the country is a factor to be recognized and encouraged, or whether this is a matter of indifference or even that the economic break-down of the nation is contemplated from ulterior motives. A relatively self-supporting nation, such as France, mainly preoccupied with the preservation of her own defensive security, is likely on such a question to take a very different view, and to pursue more ruthlessly the task of exacting the maximum, than will a people so dependent on external markets and the prosperity of world trade as Great Britain. In this fact lies the reason for the fundamental divergence of policy which soon developed between the two principal Allied nations. Another point to be borne in mind is that the resources of Germany after the Peace Settlement were by no means comparable with those which she previously enjoyed. Impoverished by the War, and temporarily ostracized in foreign markets by the prevailing state of public opinion, she had also been deprived of her colonies, and shorn of large portions of her most

productive industrial districts. But the cardinal consideration, after all, is the effect of an international payment of this kind upon the recipients. Broadly speaking, the payment can be made in three ways only, by the transfer of gold, commodities, or services. Gold is in the first place out of the question in connexion with so large a liability. There is not enough of it, and if the debtor country procures it from outside, she does so either by immensely stimulated competitive trading in the markets of the world, or by borrowing, which not only leaves the real liability undiminished but, by depreciating the value of her currency, enables her cheaply to meet or even extinguish her internal debt, thus giving her a competitive advantage against her rivals which they can hardly contemplate with equanimity. Moreover, except to the extent that it may be used to meet other liabilities such as inter-Allied War debts, gold is not wealth unless it is converted into commodities. On the other hand, payment in commodities on the scale required so dislocates the economy of the creditor countries that it is in practice regarded as 'dumping', and as such is not likely to meet with favour, or be accepted without obstruction, in a world given over to economic nationalism. The third alternative, payment by services, was open to much the same objections in the minds of the recipients, and its possibility had been materially lessened by the confiscation of a part of the German mercantile marine. Finally, whichever form the payment takes, while damaging the recipient it impoverishes the payer, who is therefore not able to continue to purchase the exports of other nations, so that the market of the world is disastrously contracted. It has, indeed, been argued that an indemnity does not differ in principle from the revenue received from a foreign investment. But this surely overlooks the fact that a foreign investment has the effect of developing production in the country where it is invested; it consequently creates an asset which enables the debtor to pay, and expands the market, which an indemnity payment tends to destroy or restrict.¹

This statement of economic considerations of course suffers

¹ See the *History of the Peace Conference of Paris*, vol. ii, p. 47, § 7.

from extreme over-simplification; it is, however, felt to be essential as a preliminary to an intelligent grasp of the history of German reparation.

Early attempts to fix the total

The desirability of an early settlement, and the disadvantage of leaving the extent of Germany's liability indeterminate, was recognized by the Allies during the session of the Peace Conference. An opportunity was therefore afforded for Germany to present proposals for a settlement within four months from the signing of the Treaty. Failing the submission or acceptance of such a proposal, the task of formulating the amount of Germany's liability was entrusted to a Reparation Commission, which had the duty of reporting by May 1st, 1921. Meanwhile, there were certain payments on account, both in cash and in kind, which fell due in the intervening period. An instalment of 20 milliards of gold marks or their equivalent¹ had to be paid in the interim, out of which the costs of the armies of occupation were to be met before the balance could be reckoned as a reparation payment, while, besides the arrangements made for the replacement of destroyed shipping, there were, for example, to be deliveries of coal to France, Belgium, and Italy which were to begin immediately. As the question of the 20 milliards was cleared out of the way at a comparatively early stage, it may be convenient to begin by tracing its short and unsatisfactory history.

As the Reparation Commission was not unanimous as to the legal situation with regard to a possible method of realizing some part of this sum, and since the policy pursued by the Allies rendered it likely that the whole question of reparation might be settled before the spring of 1921, the Commission was for some time disposed to let the matter rest. The question was, however, brought to a head in January 1921, by the receipt of a memorandum from the German Government purporting to establish that over 21 milliard marks of their liability had already been discharged by that date. On examination, however, the Reparation Commission decided

¹ A milliard gold marks may be reckoned as equivalent to £50,000,000.

that at least 12 milliards of the first 20 were still owing; they therefore demanded payment of 1 milliard by March 23rd, and on the 24th of that month notified the Allies that Germany was in default. This notification must be borne in mind in relation to the general history of the question, but we may here pass on quickly to May 1st, the date by which the total sum of 20 milliards was due under the Treaty. On that date the Reparation Commission found that the amounts hitherto paid were no more than sufficient to cover the costs of the Rhineland occupation, exclusive of the United States forces, and that therefore Germany was in default to the full extent of her indebtedness.

Policy of the Allies

We must now return to the efforts made independently by the Supreme Council of the Allies, to secure a satisfactory settlement of the whole problem.

The first step was taken at the San Remo Conference of April 1920, when it was decided to invite the German Government to a direct conference, with a view to fixing the total liability. This Conference took place at Spa in July of the same year, and, though it did not succeed in its main objective, it settled some complicated questions of inter-Allied accounting and apportionment, and arranged a protocol with Germany on the subject of coal deliveries, default in which had been notified by the Reparation Commission on the preceding 30th of June. In the conclusion of this agreement, the Allies showed a more lenient and conciliatory spirit than they usually exhibited, which produced, during the six months for which the agreement was in force, a satisfactory improvement in coal deliveries, though this was not subsequently maintained. On the main question, however, the German proposals proved unacceptable, and they are therefore of merely academic interest.

Between the dates of the San Remo and Spa Conferences, there had been another Allied Conference, at Boulogne, at which a counter-proposal had been formulated by which Germany should pay 42 annuities of 3 milliards for the first five years, 6 milliards for the next five, and 7 for a further

thirty-two, with discretion to the Reparation Commission to modify the scheme after the first five years. This suggestion had an unfortunate influence on a conference of Allied and German experts which met at Brussels in December 1920, for the Allied experts, in spite of private misgivings, 'could not take the responsibility of suggesting a lower total than that indicated in the Boulogne agreement'. This conference, therefore, also proved abortive, and at the Paris Conference of January 1921 the Allies put forward substantially independent proposals of their own, under which Germany was to pay two series of forty-two annuities, one series fixed, the other variable. In the fixed series, the first two annuities were to be of 2 milliard marks (gold), the next three of 3 milliards, the next three of 4, the next three of 5, and the remainder of 6. In addition to these the second series of annuities were to amount to 12 per cent. of the annual value of the German exports.

This proposal was confronted at the ensuing London Conference (March 1st, 1921) by a German counter-proposal, which suffered from a baleful lack of diplomatic tact. The German Government would have been on strong ground in altogether ignoring the Allied proposals, and either making an independent offer of its own or falling back on the Versailles Treaty, for, in accordance with the arrangement made in June 1919, it was for Germany, rather than the Allies, to make proposals. Instead, however, of adopting either of these courses, Germany proceeded to consider the Allied proposal, and to scale it down in a decidedly disingenuous manner. Having done so, the Germans brushed aside the 12 per cent. levy on German exports contemplated in the second series of annuities, and the whole offer was made conditional, not only on the withdrawal of the Armies of Occupation 'as soon as the sum fixed in § 1 had been paid in full', but also upon the retention of Upper Silesia by Germany.

The Allies promptly took the questionable step of issuing an ultimatum on March 3rd, 1921, which was followed on the 8th by the occupation of Ruhrort, Duisburg, and Düsseldorf, and the imposition of further sanctions. The negotiations on both sides had probably been injuriously

influenced by the necessity of propitiating public opinion, but it is difficult to find any legal justification for the procedure adopted by the Allies. The sanctions were, however, fortunately covered with a cloak of *ex post facto* legality by the Reparation Commission's notice of default on March 24th.

The Schedule of Payments

Germany appealed fruitlessly, first to the League of Nations, and then for the mediation of the United States, but by this time the question was entering on another phase, for on April 27th, 1921, the Reparation Commission published its decision, fixing the total, exclusive of sums payable under Articles 232 and 238 of the Treaty,¹ at 132 milliard marks (gold), or approximately 6,600 million pounds. On May 2nd, the Supreme Council, after making preparations for the military occupation of the Ruhr in the event of German recalcitrance, decided to invite the Reparation Commission to transmit to Germany a schedule prescribing the time and manner for discharging her obligations. This was accordingly forwarded on May 5th, accompanied by an ultimatum from the Allied Governments. The details of the schedule must be studied elsewhere,² but they included a demand for the immediate payment of £50,000,000 (1 milliard marks) by the end of the month. The ultimatum reached Germany in the midst of an internal crisis, which had occasioned the fall of her Government. Another ministry was, however, formed in time to accept the terms; by the end of August the last of the treasury bills delivered in payment of the first milliard had been redeemed in approved foreign currencies, and the first phase of the reparation problem was thus brought to a conclusion.

Divergence of Allied Policy

It soon began to be apparent, however, that the prospects that Germany would be able to conform to the scheme laid down in the schedule were far from bright. The payment of the first milliard had only been achieved through a loan

¹ Art. 232 provided for reimbursement of Allied loans to Belgium, Art. 238 for restitution of cash and property seized or sequestered by Germany.

² See the *Survey of International Affairs*, 1920-3, pp. 146-7.

provided by a number of London financial houses. By August 1921 the exchange value of the mark was showing serious signs of depreciation, and in November the effort to repay the loan caused a sudden further fall, which, judged by previous standards, might be called catastrophic. Though Germany's failure to meet her obligations had brought about a stricter measure of financial control, under a Committee of Guarantees set up by the Reparation Commission, this did not avail to check an impending collapse. Meanwhile, the solidarity of the Allies was not improved by the disputes which developed over the question of the allocation of the milliard obtained. The schedule of payments had paid no regard to two charges which ranked before reparation—the claim of Great Britain for costs of occupation and the Belgian right to priority. On July 31st, 1921, the Reparation Commission provisionally allocated the sum received to Belgium, conditionally on her transferring any sum in excess of her final allocation to any Power entitled to it on account of cost of occupation. Under this arrangement France would receive no part of the milliard obtained, and she refused to consent to an arrangement whereby the value of the Saar mines should be debited to her under Article 235 of the Treaty, and the reparation instalment divided equally between Belgium and Great Britain.

This proposal in fact was more favourable to France than her strict rights under the Spa agreement of July 1920, but French public opinion could not easily be reconciled to receiving no part of the first substantial reparation payment. Further difficulties were produced by the Loucheur-Rathenau agreement signed at Wiesbaden in August 1921, which, while it rightly facilitated the direct reconstruction of the devastated areas through deliveries of German plant and materials, imposed additional financial burdens upon Germany, and, by deferring the date at which the value of some of the deliveries was to be debited to France, indirectly gave her a priority to which she was not entitled. This matter was still under negotiation between the Allies when the November collapse of the mark occurred.

This, foreshadowing as it did a serious risk of a further

default, brought the question of a moratorium prominently forward, and occasioned a discussion between M. Briand and Mr. Lloyd George in London in the third week of December, at which a comprehensive project was drawn up which was accepted as a basis for discussion by the five Powers at the Cannes Conference in January.

Its main feature was increased control over the internal finances of Germany, in return for a partial moratorium, or a limitation of the reparation claims during the ensuing year. It also adjusted, by an elaborate bargain, the outstanding differences between the Allies on the subject of apportionment and priority. In spite of French and Belgian criticisms of the scheme, the Conference at Cannes was making good progress, and a better understanding between England and France was being promoted by an important proposal for a British guarantee of French security, when M. Briand was suddenly recalled, and the difficulties were left unsolved. For the moment the situation was met by the Reparation Commission, which granted a conditional postponement of the January and February instalments of reparation, subject to a payment in approved currencies of 31 million gold marks every ten days, and the submission by the German Government of a scheme of budget and currency reform.

The control of French policy had meanwhile passed into the hands of M. Poincaré, who, though unable to reverse the decisions previously arrived at, submitted a memorandum severely critical of Germany's past conduct, and maintaining her complete ability to discharge her entire obligations. His concrete suggestions adopted the limitations agreed on for 1922, but greatly increased the severity of the supervision and control to be exercised. These suggestions were adopted as the basis of two notes which were addressed to the German Government. Since Germany, though protesting, complied with the stipulations, the Reparation Commission, at the end of May, confirmed the partial moratorium.

Relation between War Debts and Reparation

On the question of the relationship between Reparation and War debts, a fundamental difference of opinion existed

on the two sides of the Atlantic. Looked at from a somewhat narrow point of view, the American attitude was logically defensible. In so far as the right to reparation was really a right possessed by Allied civilians to compensation for damage to their property, its relation to a debt payable by Great Britain to the United States would appear remote. Because the Mayor of Les Bœufs had a right in tort against the German Government for the destruction of his house, there seemed no reason why this should affect a contractual obligation between the United Kingdom and America. If, however, as the wording of the Treaty suggested, the Allies had merely accepted a particular limitation of an inherent right to be indemnified against war costs because of the inability of the enemy to pay in full, then reparation was to them a satisfaction of their general claims *pro tanto*, and into the cost of the War the element of their borrowings of course entered: and, as a matter of economic fact, the cash payments received could best be utilized in discharging such liabilities, leaving the damage to the civil population to be dealt with in other ways. But the connexion became more obvious and intimate when the economic situation pointed to the advisability of remitting Germany's obligations. For the effect of doing so, if War debts remained, would be to leave the victors paying a virtual indemnity while their defeated enemy was absolved from anything of the kind, a state of things which the public opinion in no country could be expected to accept with equanimity. For these reasons it was really clear that the question of reparation and inter-Allied debts was an indissoluble whole.

This issue was first raised in a concrete form when a Committee of Experts was appointed to consider the feasibility of the raising of foreign loans by Germany with which to meet her obligations. The Committee reported that in existing circumstances the plan was not practicable, and laid down four conditions for its realization, the most important of which linked intimately with the uncertainty regarding Germany's liabilities the further uncertainty connected with inter-Allied debts. These it regarded as an essential element in the problem, and the matter was followed up, on August

1st, 1922, by a note from Lord Balfour to the representatives of Allied Powers owing War debts to Great Britain. After pointing out that the amount which Great Britain must require from them depended on the amount for which the British debt to the United States was settled, he added that His Majesty's Government

'content themselves with saying once again that so deeply are they convinced of the economic injury inflicted on the world by the existing state of things that this country would be prepared (subject to the just claims of other parts of the Empire) to abandon all further right to German Reparation and all claims to repayment by Allies, provided that this renunciation formed part of a general plan by which this great problem could be dealt with as a whole and find a satisfactory solution.'

Unfortunately, this statesmanlike proposal did not meet with the reception it deserved. The Allied debtors saw only the refusal to set off inter-Allied debts against reparation unconditionally, while the American interpretation of the proposal has been accurately summarized as being, 'We will pay you if we must, but you will be cads if you ask us to do so'.¹

M. Poincaré and 'Productive Guarantees'

The opposing policy of France was almost immediately launched at the ensuing London Conference on August 7th, 1922, when M. Poincaré brought forward, as conditions of a moratorium, a series of 'productive guarantees', which included the appropriation of 60 per cent. of the capital of German dye-stuff factories on the left bank of the Rhine and the exploitation and contingent expropriation of the state mines in the Ruhr basin. The British delegation responded by proposing a total moratorium on cash payments for the remainder of 1922 and certain guarantees which included the supervision, in case of default in wood and coal deliveries, of the forests of the public domain and of the Ruhr coal-mines. These suggestions were, however, wholly unacceptable to M. Poincaré, and this Conference, like so many others, achieved nothing. The situation was more or less repeated

¹ Mr. Wickham Steed, at a meeting of the Royal Institute of International Affairs, February 26th, 1929. *Journal*, 1929, p. 219.

at a second London Conference on December 9th, 1922, when Mr. Bonar Law went farther than the Balfour Note by stating that

'if he saw some chance of a complete settlement with a prospect of finality he would be willing to run the risk in the end of having to pay an indemnity, that is to say, of paying more to the United States of America than Great Britain would receive from the Allies and Germany. But he was sure that all would agree that it would be foolish to make such a concession if the whole question were going to be raised again.'

M. Poincaré, on the other hand, after a severe criticism of a German plan submitted to the Conference, elaborated his scheme for 'productive guarantees' and made it clear that he would consent to no moratorium without the adoption of the pledges which he proposed. This Conference was therefore adjourned, with the idea that the discussion should be continued at a subsequent meeting, in Paris, at the beginning of the new year; but before the proposed date the whole situation had become vitally altered.

In the circumstances then existing, since the question of the moratorium requested by Germany was in suspense, there could be no question of applying M. Poincaré's policy so long as his 'guarantees' were merely put forward as conditions for the stay required. The experiment could only be tried if Germany were declared in default by the Reparation Commission. In consequence, mainly, of difficulties in payment to the contractors owing to the fall in the mark, there had been a temporary cessation of timber deliveries to the German Government, to be used in reparation. There was therefore a technical default in timber deliveries to the French Government, the shortage being, however, comparatively trifling. At the meeting of the Reparation Commission on December 26th, M. Barthou, the French representative, moved for the official notification of the default. His proposal was violently opposed by Sir John Bradbury, who exposed its true implications and purpose. 'This trumpery accusation', he said, 'was only before the Commission at the moment as a preparation for an offensive in other fields. Since . . . Troy fell to the stratagem of the wooden horse, history recorded

no similar use of timber.' He was, however, out-voted by the French, Belgian, and Italian members of the Commission, and the default was officially notified. Though on this occasion the British representative was in a minority of one, the result might well have been different but for the repudiation of the Peace Treaty by the United States. The Reparation Commission had been deliberately constituted with a membership of five, to ensure a majority vote on every occasion. The withdrawal of the United States produced exactly the effect which it had been desired to avoid—an even number of members on the Commission. To meet the imminent possibility of deadlock, a provision from Article 437 of the Treaty, giving the Chairman a casting vote, had been prayed in aid, though the application of this article to the Reparation Commission does not seem to have been originally contemplated. This arrangement gave a second vote, in case of necessity, to the French representative, who presided. 'It was rarely if ever cast; but the knowledge that it was there in reserve necessarily underlay all these discussions.'¹ Italy, whose attitude was somewhat hesitant, might well have decided differently had the United States been present.

Armed with the notification thus secured, and with the prospect of an early declaration of default in coal deliveries also, M. Poincaré, at the Paris Conference of January 2nd, felt himself on strong enough ground to venture upon a complete breach with his British Allies, to reject their proposals and to proceed with the execution of his own plan. The expected notification on January 9th of default in coal deliveries gave him his opportunity, and two days later the French occupation of the Ruhr basin began.

¹ Salter (Sir Arthur): *Recovery*, p. 133.

IV

THE REPARATION PROBLEM: FROM THE OCCUPATION OF THE RUHR TO THE DAWES PLAN

Legal Aspects of the Ruhr Invasion

IT is open to question whether the Franco-Belgian occupation of the Ruhr could be legally justified under the Versailles Treaty. 'The highest legal authorities in Great Britain had advised His Majesty's Government that the contention of the German Government was well founded, and His Majesty's Government had never concealed their view that the Franco-Belgian action in occupying the Ruhr, quite apart from the question of expediency, was not a sanction authorized by the Treaty itself.'¹ There were three main questions involved: (i) Was the question of default which arose in this case one which the Reparation Commission was entitled to decide by a majority vote? (ii) Were France and Belgium entitled to take separate action, or must any action be taken jointly by all the Governments represented on the Reparation Commission? (iii) Was the sanction applicable in this case limited to 'economic and financial prohibitions and reprisals', or was the action taken permissible under the Versailles Treaty? For the arguments on either side of the question, the student must consult other sources;² having regard to the political unwisdom and disastrous consequences of the course taken, the legal aspect is of minor importance.

Economic Importance of the Ruhr

The industrial resources of post-War Germany were concentrated in the Ruhr basin to an extent which rendered any disturbance of the normal activities of that region a step which was bound to react deleteriously upon the financial stability of the Reich and consequently upon its capacity to meet the Allied demands. Eighty to eighty-five per cent.

¹ British Note of August 11th, 1923. *Cmd* 1943 of 1923.

² *History of the Peace Conference of Paris*, vol. ii, p. 40.

of Germany's coal, 80 per cent. of her steel and pig-iron production, and 70 per cent. of the goods and mineral traffic on her railways were dependent upon the Ruhr. It is only fair, however, to point out that the action originally contemplated by the French and Belgian Governments did not in itself materially impede the normal working of industry; the dislocation which actually followed was a result of German resistance to the policy which does not appear to have been foreseen or expected. In their Note to the German Government of January 10th, 1923, France and Belgium proposed to send into the Ruhr, under military protection, a mission—known as the Mission Interalliée de Contrôle des Usines des Mines, or M.I.C.U.M.—to supervise the action of the local *Kohlensyndikat* and to take the measures required to secure the payment of reparation. The normal life of the local population was not to be disturbed.

Passive Resistance in Germany

The first interference with the smooth working of the plan occurred before the arrival of the French troops on January 11th. The *Kohlensyndikat* withdrew its head-quarters from Essen to Hamburg, thus placing itself outside the range of direct control. The German Government immediately afterwards ordained a policy of passive resistance, suspended all reparation deliveries to France and Belgium, thereby placing itself in general default, and by undertaking the financial support of strikers and recalcitrant officials, while at the same time prescribing severe penalties for all German citizens who assisted the plans of the enemy, it fostered and promoted the non-co-operative movement which arose spontaneously in the occupied area. The invaders were consequently at once confronted with the necessity of working the intricate railway system of the Ruhr with a greatly restricted staff, drafted from their armies, which of course was totally unfamiliar with local conditions. The M.I.C.U.M. had also to staff a number of the mines with its own personnel, as a result of German refusals to work them. The volume of goods carried over the railways consequently dropped to considerably less than a third of its normal figures.

In these difficult circumstances, the French and Belgian Governments, with whom the Italians were technically associated though they played no active part, resorted to severe measures of reprisal. They extended the area of their occupation, and exploited the majority which they now commanded on the Rhineland High Commission, owing to the withdrawal of the United States, by the promulgation of ordinances of extreme severity directed against all attempts to impede the success of their operations. These ordinances were applied not merely to the Ruhr, but throughout the whole Rhineland area under military occupation; in the British zone, however, they were treated as a dead letter, and this region consequently became a sort of oasis of peace in the desert created by the struggle, a fact which did not improve Franco-British relations during this unhappy period. A continuous customs cordon was drawn, from Wesel to Düsseldorf, between occupied and unoccupied German territory, and an almost complete embargo, except in relation to foodstuffs, was placed on the transit of goods to the parts of Germany beyond the Allied control. Except, therefore, for such amounts as the invaders could transfer to France and Belgium on account of reparation deliveries, stocks continued to accumulate without being profitably disposed of.

The Separatist Movement

A further weapon of which the French availed themselves was the support of Separatist movements in the occupied territory. This fact, indeed, they continually though unconvincingly denied, representing the movement as a spontaneous expression of the wishes of the local population, which they were not concerned either to defend or prevent. In reality, however, the Separatist movement in the Rhineland was carried on in the teeth of local public opinion; its leaders were largely foreign to the district, and its rank and file included convicted criminals and other undesirable characters. Moreover, not only was French support of Separatism incontrovertibly attested by the speedy collapse of the movement when such help was not forthcoming, but there is abundant evidence of acts which are capable of no other explanation.

The insurgents were transported upon Franco-Belgian Régie trains to the scene of their operations; arms confiscated from the German civil population were distributed to them, and those of which the German police had deprived the Separatists were restored to them by the French authorities. The police were disarmed and their resistance was otherwise impeded, and the 'Rhineland Republic' proclaimed by the leaders of the movement was recognized by the French High Commissioner as the *de facto* Government wherever its authority was regarded by him as effective.¹

In Belgian occupied territory, where similar assistance was not forthcoming, the movement swiftly collapsed, but in the Bavarian Palatinate, hemmed in between French Alsace-Lorraine and the provisionally French territory of the Saar, events took a peculiarly serious turn, involving at one point the danger of a complete breach between France and Great Britain. On October 24th, 1923, the Palatinate was recognized by a representative of General de Metz, the delegate of the Rhineland Commission, as an autonomous state with a Provisional Government, and the General himself, on the following day, prohibited all the Bavarian officials from the exercise of their functions. Thus encouraged, the Separatists seized by force the public buildings of every town in the Palatinate, and deported the officials wholesale, to the number of 19,000. On January 2nd, 1924, the Rhineland High Commission decided (against the vote of the British representative) to register the decrees of the 'Autonomous Government', thus according to it official recognition. At this point the British Government demanded that ratification should be suspended pending an inquiry, and the subsequent investigations of Mr. Clive, the British Consul-General for Bavaria and the Palatinate, conclusively established that the overwhelming majority of the population was opposed to the Separatist Government. On the strength of this report, the British Government proposed a reference of the question to the Permanent Court of International Justice, with the result

¹ For a convincing and vivid account of the Separatist occupation of Düsseldorf, September 30th, 1923, see *The Uneasy Triangle* by 'Apex' (Captain R. G. Coulson), pp. 39-43.

that the French resistance gave way. In February, their support having been withdrawn, the true state of public sympathy was disclosed at Pirmasens, by the massacre of fifteen Separatists, who had been driven by fire from the building which they were defending. At Durkheim the same story was repeated, and there was a further clash, attended by loss of life, at Kaiserslautern, though on this occasion the Separatists seem to have taken the offensive. After these events, the Rhineland High Commission proclaimed a state of siege, and ordered the dissolution of the local nationalist organization. By the end of February 1924 the last Separatists had disappeared from the scene.

The disturbances, however, which resulted from the French policy on the Ruhr, were not confined to the occupied territory. On November 9th, 1923, a rising promoted by General Ludendorff broke out in Bavaria, which, though promptly suppressed, is of some historical importance, as one of the leaders was a native of Austria, named Adolf Hitler, of whom the world was destined to hear more in a few years' time. Hitler was condemned, for the part he had played in the disturbance, to imprisonment in a fortress, which provided him with the leisure to write the book, *Mein Kampf*, in which the National Socialist doctrine is explained and elaborated.

Losses of the Struggle

Apart from the bloodshed caused by the Separatist movement in the Rhineland, the virtual state of war existing between Germany and the Powers in occupation of the Ruhr was not free from casualties. French sources admit a loss of 20 killed and 66 wounded on the side of the Allies, and of 76 killed and 92 wounded on that of their opponenets, while German measures in enforcement of the policy of passive resistance involved a casualty list of 300 dead and more than 2,000 injured. But the financial consequences to both sides were far more disastrous. The franc had lost nearly a quarter of its value, and the mark, depreciated a billion-fold, had become to all intents and purposes worthless. In these circumstances, saner counsels had an opportunity of being heard; in September 1923, Germany unconditionally aban-

doned passive resistance and withdrew the ordinance suspending reparation deliveries. But her actual capacity to pay had been so impaired that France was also ready to listen to reason. From October 1923 she had adopted the policy of negotiating arrangements for coal deliveries and other payments in kind directly with a committee of the Ruhr industrialists, but the standard agreement of November 23rd, 1923, was due to lapse, if not renewed, in April 1924, and there seemed small prospect that it would be continued, while this system of exacting a local tribute from private industry, in lieu of reparation from the Government, bade fair to complete the ruin of Germany.

Genesis of the Dawes Plan

Fortunately the Allied Powers, while they had all rejected proposals put forward by Germany in May 1923, had, from that date, been engaged in more or less continuous negotiations with each other and with their former enemy, and, with the cessation of German intransigence, Mr. Baldwin appealed to the Government of the United States to collaborate in an investigation into Germany's capacity to pay.¹ The reply was favourable, and resulted in the appointment, at the end of the year, of a Committee presided over by the American General, Charles G. Dawes. The Committee met in Paris in January 1924, and presented its report on April 9th. Basing itself upon the slogan 'Business not politics', the report went on to emphasize Germany's need for the resources of her whole territory, and the interdependence of the two requisites of a stabilized currency and a balanced budget. Permanent stability was to be secured to the new 'Rentenmark'² by the reorganization of the bank of issue, free from government interference and under the supervision necessary to protect foreign interests. Germany was to pay amounts rising in five years from 1,000 million gold marks or £50,000,000 to 2,500 million gold marks (£125,000,000), to

¹ The first suggestion of such collaboration had been made in the United States in a speech delivered by Mr. C. E. Hughes to the American Historical Association in December 1922.

² Introduced as an emergency currency in November 1923.

be raised partly in the German budget, and partly from state railway bonds and industrial debentures, together with a transport tax. To guard against collapse of the exchange owing to transfer difficulties, payments were to be made in German currency, the operation of transfer resting with the recipients. To cover the gold reserve requirements of the new bank, and internal payments for treaty purposes in 1924-5, a foreign loan of 800 million gold marks was regarded as an essential condition of the scheme.

Fortified by this report, the interested Powers continued their negotiations, and eventually arranged a conference which met in London on July 16th, 1924. The prospects of a successful result had meanwhile been improved by the fall of M. Poincaré's Government (May 11th). Though the French Premier had of late become considerably more conciliatory in his attitude towards his former Allies, discussions between M. Herriot and Mr. Ramsay MacDonald held greater promise of agreement than those of the previous year, in which M. Poincaré and Lord Curzon had been the protagonists. The Conference in fact proceeded smoothly; on August 5th it was ready to welcome the participation of the German delegates, and on the 16th the necessary agreements for carrying out the Dawes Plan were signed. By the end of the month the legislation required had passed the Reichstag, and in October the proposed loan was floated with complete success. The largest portion (\$110,000,000) was raised in the United States.

Improvement in International Relations

The favourable atmosphere created by the London Conference and the adoption of the Dawes Plan inaugurated an era of improved understanding, not only between the Allies and Germany, but between Great Britain and France. The subordinate question of apportionment of the reparation payments was quickly and happily settled during a conference of Allied Finance Ministers which took place in January 1925. The payments themselves were punctually made for several years, though the plan itself had never been intended as more than a temporary arrangement, pending a definite settlement

of the problem. This point was emphasized from the first in the annual reports of the Agent-General for Reparation Payments.¹ But for the moment the question of reparation was allowed to rest, and the statesmen of Europe were enabled to direct their attention more exclusively to the permanent organization of world peace. The 'Locarno Spirit', which did much in the ensuing years to encourage a more hopeful sense of security, was thus a logical outcome of the Dawes settlement, and, since the appeal to American co-operation of which this was the culmination was occasioned by the catastrophic experiences of the Ruhr occupation, and it was this sharp lesson which brought the protagonists nearer together, it appeared, for the moment at any rate, that good had been born out of evil.

¹ 'The results achieved . . . do not by themselves mark a final readjustment. They are rather the starting-point from which readjustment must proceed.' *Report of the Agent-General for Reparation Payments*, May 1925.

V

THE PROBLEM OF SECURITY: TO THE LOCARNO TREATIES

THE close of 1924 marks a stage when most of the problems involved in the Peace Treaties appeared either to have been liquidated or in a fair way to become so, and the statesmen of Europe were free to direct a more undistracted attention to the constructive work of the new régime in laying the foundations for a durable tranquillity. The territorial adjustments had been completed, not only in Europe but also in the Near East, and if the problem of reparation could not be regarded as finally settled, a *modus vivendi* had at least been arrived at which could be relied upon to shelve the question for some time. Finally, though the international activities of the Russian revolutionaries still continued to disturb harmonious relations, this side of their policy had become, since the death of Lenin in January 1924, increasingly incompatible with the designs of the Soviet Government, and while the latter could claim a substantial measure of success in the recognition accorded to it by the principal European Powers, the efforts of the Third International had only served to discredit it by a record of continual failure.¹

Conditions, in fact, seemed ripe for substantial progress in the consolidation of a new system from which the fear of war could be eliminated. There can be no doubt that this was the objective which the authors of the Peace Settlement had principally in mind, and which indeed at first they dreamt that they had achieved. In Great Britain, at any rate, for some years after the signature of the European Treaties, it was regarded as almost blasphemous to hint at the possibility of another war. The struggle from 1914 to 1918 had, at its close, become in the minds of most people in Great Britain a 'war to end war': unless this aim had been realized, the effort had been wholly fruitless. What was confidently expected, or at least not openly questioned, was the inauguration of a

¹ See Chapter VII.

new era, in which nations and races, under governments of their own choosing, would unselfishly and automatically co-operate in the suppression of the first signs of an appeal to force.

In such a golden age, disarmament was hardly at first expected to present any serious difficulties. It was the natural corollary of restored confidence, satisfied ambitions, and a general will to peace, and the removal of any temptation which might remain to revert to militarism and aggression. It is true that difficulties and dangers had been foreseen by some of the negotiators before the conclusion of the Peace Conference. Mr. Lloyd George, for instance, not only perceived the elements of future discord which lay in the territorial settlement, but clearly realized and advocated the advantages of 'striking while the iron was hot'. The time for achieving a satisfactory limitation of armaments was, he saw, the present moment, before doubts as to the efficacy of the collective machinery for peace had time to develop: for this reason he argued strenuously that an agreement for the limitation of their armaments, concluded between the principal Powers, should precede the signature of the Covenant.

'The first condition of success [he urged] for the League of Nations is, therefore, a firm understanding between the British Empire and the United States of America and France and Italy that there will be no competitive building up of fleets or armies between them. Unless this is arrived at before the Covenant is signed the League of Nations will be a sham and a mockery. It will be regarded, and rightly regarded, as a proof that its principal promoters and patrons repose no confidence in its efficacy. But once the leading members of the League have made it clear that they have reached an understanding which will both secure to the League of Nations the strength which is necessary to enable it to protect its members, and which at the same time will make misunderstanding and suspicion with regard to competitive armaments impossible between them, its future and its authority will be ensured. It will then be able to ensure that not only Germany, but all the smaller States of Europe undertake to limit their armaments and abolish conscription. If the small nations are permitted to organize and maintain conscript armies running

each to hundreds of thousands, boundary wars will be inevitable and all Europe will be drawn in.'¹

The favourable occasion was, however, permitted to pass.

'Never shows the choice momentous till the judgment hath passed by.'

Yet it is clear that in 1920 a general limitation of armaments was contemplated by all the Allied and Associated Powers. Reduction 'to the lowest point consistent with national safety and the enforcement by common action of international obligations' figures in Article 8 of the Covenant, and the same intention ('to render possible the initiation of a general limitation') is given in Part V of the Versailles Treaty as the reason for requiring the drastic disarmament of Germany, and was repeated, even more explicitly, in the reply to the German delegates of June 16th, 1919.² These utterances have, indeed, been misrepresented by German propaganda, with an unwarranted degree of success even outside the frontiers of the Reich, as establishing a contractual relationship between the disarmament of the vanquished and that contemplated by the victors. Such a contention cannot, of course, be accepted.³ The Allies never said, 'If you will disarm, we will'. Their attitude may be more appropriately likened to that of a group of householders thus addressing a convicted burglar: 'Patent locks and a large police force are expensive luxuries which we should like to escape, but we cannot until we know that you are safely put out of harm's way.' There is nowhere any indication that the victors contemplated a reduction commensurate with that imposed on Germany, but the criterion 'the lowest point consistent with national safety' is manifestly a variable standard which is lower if the principal potential disturber of the peace has been rendered innocuous.

¹ Memorandum of March 25th, 1919. Published in *Cmd* 1614 of 1922.

² The idea also figured in the 'Fourteen Points'—Point 4. *History of the Peace Conference of Paris*, vol. i, p. 433.

³ Cf. British Statement of Policy, September 18th, 1932, 'To state what the object or aim of a stipulation is, is a very different thing from making the successful fulfilment of that object the condition of the stipulation.' (*Documents on International Affairs*, 1932, p. 196.)

This criterion, embodied in Article 8 of the Covenant, is another way of saying that security is everything. Inflated armaments are not so much a cause of war as a symptom indicating a dangerous situation: given complete freedom from the risk of attack, real or imaginary, there can be few nations so mad as not spontaneously to reduce the crushing and unproductive expenditure involved in their forces to a universally satisfactory minimum. On the other hand, it would clearly be impossible to persuade any state to reduce its armaments if it felt that its national security was thereby imperilled. It is therefore rather surprising that, in its earlier efforts to cope with the problem, the League of Nations tended to concentrate narrowly on schemes for disarmament on a statistical and mathematical basis, which paid little or no attention to this controlling factor. A Permanent Advisory Commission, consisting of military, naval, and air experts, was constituted, in accordance with Article 9 of the Covenant, in May 1920, and this step was followed, nine months afterwards, by the creation of the Temporary Mixed Commission.¹ These bodies, however, spent much time at the outset in the collection and exchange of statistical and other information on existing armaments, while the Assembly, at each of its first four sessions, recommended a preliminary form of limitation based on the restriction of expenditure on armaments to the current figure in each national budget. The scheme proposed in 1922 by Lord Esher, the British representative on the Temporary Mixed Commission, was also of the mathematical type, proposing an allocation to each European Power of a fixed number of units of 30,000 men in a defined ratio.

The Washington Conference, 1921-2

Lord Esher's plan was admittedly based on the precedent applied to naval disarmament at the Washington Conference of 1921-2, but the circumstances which enabled agreement to be reached on that occasion had little resemblance to those in which the reduction of European land forces had to be attempted. In the first place, the United States, by whom

¹ *Survey of International Affairs*, 1920-3, p. 104.

the invitation to the Washington Conference was issued on August 11th, 1921, enjoyed at the time so unassailable a financial superiority that no other Power was in a position to compete with them if unrestricted ship-building was allowed to continue. Of the four Powers associated with the United States in the agreement, neither France nor Italy was threatened by the naval superiority of the British Empire, the United States, or Japan, and Italy, as a comparatively poor nation, was bound to welcome any limitation proposed, on a basis of her parity with France. The relations between Great Britain and the United States were such that she had nothing to fear from parity in battleship strength with America, while the agreement left her, in this respect, in a ratio of 5 to 3·5 to the next two naval Powers of Europe.¹ The numerical limitations imposed were restricted to large battleships,² a form of armament the necessity for which is open to dispute and to which a mathematical ratio is more clearly applicable than to any other; one, moreover, which it is impossible to provide in secret or without a very great financial outlay. The parties to the agreement were comparatively few, and its duration was limited in time, since the Treaty was capable of being terminated in 1936. But, above all, agreement was not arrived at without prior consideration of possible danger-points and of the security of the parties.³ Collateral negotiations between Japan and China settled, as it was thought, the outstanding differences between them, while American grounds for alarm were allayed by the recognition of her rights in the Japanese mandated island of Yap. The requirements of security were to some extent dealt with by the con-

¹ 'A position we have not held in Europe for the last seventy years.' Sir Frederick Maurice, in an address to the British Institute of International Affairs, published in its *Journal*, vol. i, p. 103.

² There was a total *tonnage* limitation applied to air-craft carriers, and a maximum *size* was fixed (as some think, too high) for capital ships, air-craft carriers, and cruisers, as well as for their guns, but the only restriction of numbers was in respect of battleships.

³ Doubts are still entertained as to whether the consideration was sufficient. It is contended, for instance, that France embarked upon submarine construction largely because an assignment of five capital ships was considered inadequate. The Washington Treaty attempted to scale down from the top, instead of building upon the requirements of the lesser Powers.

clusion, in December 1921, of a Four-Power Treaty between the British Empire, the United States, Japan, and France, which pledged the parties to a policy of co-operation, consultation, and mutual help in the Pacific area, and by the Nine-Power Treaty of February 1922, recognizing the sovereign independence and territorial and administrative integrity of China. In these circumstances, while the achievement was substantial, it is obvious that the problem was one of far greater simplicity than that confronting the League of Nations in relation to the land forces of Europe.

France and Security

Outside the genial influences of the 'Geneva atmosphere', there had, from the first, existed little doubt as to the preliminary necessity for a sense of security. France had only been persuaded, at the Peace Conference, to renounce her darling plan of acquiring a military frontier along the Rhine in consideration of an Anglo-American Treaty of Guarantee, and, when this broke down owing to the retirement of the United States, she lost no time in safeguarding the position by the conclusion of a treaty with Poland in February 1921. The states of the Little Entente had simultaneously acted on a realistic view of the situation, and their system of alliance was linked with the French, long before such a bond was formally completed, by the fact of a common interest in the preservation of the Peace Settlement. But even these precautions were insufficient to allay the anxieties of France; negotiations for the renewal of an Anglo-French pact continued until 1922, and appeared, indeed, on the brink of realization during the Cannes Conference, when they were interrupted by M. Poincaré's advent to power in succession to M. Briand. The project eventually broke down owing to the unwillingness of Great Britain to regard the violation by Germany of Articles 42 and 43 of the Treaty of Versailles (fortifications or armed forces in the demilitarized area near the Rhine) as a *casus belli*, or to enter into any engagements, other than her obligations under the Covenant, in respect of the countries on the eastern frontiers of Germany. The British argument is

summarized in a memorandum prepared by Lord Curzon in February—

‘In so far as British public opinion will endorse our guarantee, it will be in the belief that it can only become operative in the event of a German army actually crossing the French frontier . . . [As to obligations elsewhere] the two Powers, not waiting for any one else, are “to examine in common the measures necessary to ensure speedily a peaceful and equitable settlement”. Of course, this might mean that they would jointly refer the case to the League of Nations. But, if so, the provision is unnecessary. On the other hand, it . . . is probably intended by the French to mean that the settlement of the future European disputes is a matter primarily for Great Britain and France, and that the rest of the world is to look on until our two Governments have made up their minds what they will do. . . . A military alliance of this description between Great Britain and France could only result in rival and, it might be, hostile combinations between other Powers . . . and it is inconsistent with the theory upon which it has hitherto been assumed that the post-War polity of Europe is to be based.’

The Flight from Sanctions

Meanwhile, the confidence which had been reposed in the provisions of the League Covenant for collective action was being rapidly undermined. The most vital factor in bringing about this change was, no doubt, the withdrawal of the United States. But for a time there was still a general belief that peace had been established on durable foundations. Now this was waning. Undertakings cheerfully assumed in the optimism which followed the conclusion of the War took on a graver aspect when it became apparent that they might actually have to be fulfilled, and a large number of signatory nations took early steps to qualify them. At the First Assembly, in 1920, the Canadian Delegation proposed the elimination of Article 10 (preservation of territorial integrity), and further developed its point of view in 1922, by proposing, *inter alia*, that ‘no Member shall be under the obligation to engage in any act of war without the consent of its parliament, legislature, or other representative body’. At the Fourth Assembly, in 1923, an interpretative resolution was proposed, which after adopting another Canadian amendment, to the

effect that the Council, in advising on action to be taken in fulfilment of the obligation under Article 10 should take account of the geographical and general situation of each state, laid it down that

'It is for the constitutional authorities of each Member to decide, in reference to the obligation of preserving the independence and the integrity of the territory of Members, in what degree the Member is bound to assure the execution of this obligation by employment of its military forces.'

Though the resolution was opposed by Persia, and therefore not carried, it has since been generally regarded as expressing the accepted interpretation of the Article, and the principle which it lays down is also applied in many quarters to the sanctions imposed under Article 16. Meanwhile the Second Assembly, in 1921, had adopted a series of nineteen resolutions bearing upon Article 16, the effect of which was generally to weaken the provisions of the Covenant in regard to sanctions. As a French critic has expressed it:

'The result which we are in danger of having obtained is to have ruined the strength of the original Article 16, without putting anything in its place.'¹

A school of thought was, in fact, rapidly growing up, more especially in Great Britain and the British Dominions, which valued the League purely for the opportunities it afforded for consultation and the development of an international public opinion, and regarded the machinery of the Covenant designed to guarantee its signatories against aggression as not only of minor importance but positively dangerous. As a result, the security which the League was intended to afford was increasingly believed to be illusory, and states were thrown back upon a reliance on their own forces and those of such allies as they might be able to attract.

The Draft Treaty of Mutual Assistance

These developments, which seemed to threaten a relapse to the pre-War system, brought into rather unexpected alliance the French with their insistence on guaranteed

¹ Ray (J.): *Commentaire du Pacte de la Société des Nations*, p. 519.

security and the more zealous champions of the League as the last bulwark of civilization. In 1922 Lord Robert Cecil (now Viscount Cecil) submitted four propositions to the Temporary Mixed Commission:

- i. That reduction of armaments, to be successful, must be general.
- ii. That such reduction depended upon satisfactory guarantees of security.
- iii. That these guarantees should be general.
- iv. That the provision of such guarantees should be conditional on an undertaking to reduce armaments.

A discussion followed in the Assembly, as a result of which two drafts were submitted to the Temporary Commission by Lord Robert Cecil and Colonel Requin, who had been the principal critic of his third proposition, and from the co-ordination of these texts was produced the Draft Treaty of Mutual Assistance, which was circulated to the members of the League, and also to non-members for their observations.

The Draft Treaty was a highly ingenious attempt to combine the respective advantages of a general guarantee and a local system of alliances, while obviating their defects. While a joint and several obligation was to rest upon all signatories to assist any of their number against a war of aggression, which was stigmatized as 'an international crime', the duty to engage in military, naval, or aerial action was restricted to states situated in the continent in which such operations took place. While the allocation of such duties, as well as the function of determining the aggressor, was laid upon the Council of the League, voluntary local alliances were permitted, and their immediate intervention was sanctioned, subject to the risk of incurring the penalties of aggression if this power was, in the opinion of the Council, wrongfully used. Thus the risk of a regional group combining for purposes other than the maintenance of peace was minimized, while self-interest might be counted on to stimulate the action which the general obligations of the Treaty required. It was, however, the careful way in which the obligations of signatories were limited which caused the rejection of the scheme.

The apportionment of liability on continental lines cut fatally across the structure of the British Commonwealth with its world-wide responsibilities. Either some parts of the Empire might be at war while others remained at peace—a situation regarded at that date as intolerable—or Great Britain and her Dominions would be subjected to a wholly disproportionate share of the burden of resisting aggression in all parts of the world. In any case, no continental exemption could apply to the British Navy, and the arrangements contemplated seemed likely to raise in an acute form the difficult question of the constitutional relationship between the nations in the British Commonwealth. For these reasons, as well as because of the large executive functions which the Treaty conferred on the Council of the League, the scheme was rejected by the Government of the United Kingdom as well as by the Dominions.¹

The Geneva Protocol

The defunct proposal had, however, set the feet of European statesmen on the right path. The paramount importance of security, not only as a preliminary step to any considerable limitation of armaments, but also as the only foundation on which a durable peace could be established, had been generally recognized. If the Draft Treaty had to be sacrificed, some acceptable alternative method of establishing the security at which it aimed must rise from its ashes. The method chosen was a return to the Covenant, and an endeavour to improve the machinery of the League as an instrument to preserve peace and deter aggression. It was sought to achieve this result in two ways—by supplying a satisfactory test of aggression, and by closing the ‘gap in the Covenant’ which still left war legitimate in the event of a failure of the machinery for settlement laid down in Article 15. The key to both difficulties was sought in compulsory arbitration. The utility of this expedient as a test of aggression was emphasized by Mr. Ramsay MacDonald

¹ There were objections and criticisms from other quarters, especially the European ex-neutral Powers, but it was the rejection by Great Britain and the Dominions which was decisive.

in his opening speech at the Fifth Assembly of the League, in September 1924—

‘The one method by which we can secure, the one method by which we can approximate to an accurate attribution of responsibility for aggression is arbitration. . . . The test is: Are you willing to arbitrate?’

But it was also clear that the acceptance of an award in all cases of dispute would close the door upon all private war. With these leading ideas in their minds Mr. MacDonald and M. Herriot presented a joint resolution which started M. Politis and M. Beneš on the labour of drafting the Geneva Protocol, in which these principles were embodied.

It is impossible to enter into the details of this historic document, which are, in any case, easily accessible. Broadly speaking, it relied on establishing unescapable means of identifying the aggressor, mainly by applying the test above referred to, and it applied the machinery of arbitration to all disputes except those arising out of matters solely within the domestic jurisdiction of one of the parties. Even in such cases, the Council or the Assembly might still consider the situation under Article 11 of the Covenant. The sanctions to be applied against the aggressor were identical with those laid down in Article 16 of the Covenant.

The real objection to this procedure is that disputes leading to war are often of a nature which is not susceptible of arbitral adjudication. The Polish Corridor problem is a good example. Juridically, the title of Poland is incontestable. The only alternative to a judicial decision is a compromise, but here it is impossible to conceive a compromise acceptable to one party which would not be inevitably unsatisfactory to the other. To connect the German Reich with East Prussia, which is the minimum of the German aspirations, obviously cuts off Poland from the sea and merely creates a corridor from east to west instead of from north to south. In such cases the Protocol made no new contribution to the problem of security, but threw the nations back upon the old question—were the sanctions of the Covenant an adequate or a trustworthy safeguard? Yet it was not an objection of this character which brought about the ultimate rejection of the

Protocol. Indeed, for the moment, in the favourable atmosphere of Geneva, the success of the policy which it proposed seemed assured.

Rejection of the Protocol

On October 2nd, 1924, the Protocol was unanimously recommended to the acceptance of the Governments of its member states by the Assembly of the League of Nations. Within a few days the representatives of some seventeen states had signed the instrument, and before the end of the month it had been not only signed but ratified by Czechoslovakia. Yet in the spring of the following year the project was dead. Its sudden demise seems to call for some explanation.

Some writers¹ have laid great stress on the fact that the Labour Government of Mr. Ramsay MacDonald, who had played a leading part in formulating the views of which the Protocol was the outcome, had fallen in November 1924, and had been succeeded by a Conservative administration. No doubt, the exigencies of party politics in the heat of a general election tend to subject the whole policy of opponents to a criticism which makes the subsequent acceptance of any part of their programme difficult, but it is impossible to contend that the Protocol was simply scrapped on account of its origin. Continuity in foreign policy has been a tradition in Great Britain which Conservatives, perhaps more than any other party, have been inclined to follow, and, though the majority in the new Parliament contained a certain number of men who favoured isolationism, this was certainly not the attitude of the Foreign Secretary, Mr. Austen Chamberlain.

'We are too near [he said in the House of Commons on March 5th, 1925] to the Continent to rest indifferent to what goes on there. At periods in our history we have sought to withdraw ourselves from all European interests . . . but no nation can live, as we live, within twenty miles of the Continent of Europe and remain indifferent to the peace and security of the Continent . . . nor is it in that spirit of selfish, and, at the same time, short-sighted isolation, that we shall exercise now, when we speak in consultation with the free self-governing Dominions of a great Empire, our mission and our influence in the world.'

¹ See Madariaga (S. de): *Disarmament*, p. 18.

The most that can be claimed as a result of the political situation in Great Britain is that it delayed the formation of an immediate and possibly precipitate judgement: the new Government was faced with urgent problems in Russia, arising out of the 'Zinoviev letter', and in Egypt, consequent upon the murder of Sir Lee Stack in November 1924. It consequently asked, with every justification, for further time to consider its attitude to the Protocol, and it is possible that in the interval objections not at first apparent may have become increasingly evident.

The chief reason, however, for the rejection of the Protocol lay undoubtedly in the attitude of the British overseas Dominions. Their opposition was partly due to fear of interference with their domestic sovereignty in such matters as immigration, in view of modifications made in the text of the document at the instance of the Japanese. But fundamentally it was based on a growing aversion from the whole idea of becoming involved in the application of sanctions in consequence of the Imperial tie connecting the Dominions with Great Britain. Geographically remote, as they at this time appeared, from the probable danger-spots of the world, the Dominions viewed with increasing distaste a prospect of European entanglement. In Canada, whose proximity to the United States encouraged sympathy with American isolationism, this attitude had long been apparent. It had coloured her policy at Geneva, as we have seen, from the days of the First Assembly, and it was voiced in the rather ominous remarks in which her delegate, M. Dandurand, had marred the unreserved acceptance of the Protocol in the debates of the Assembly—

'In this association of mutual insurance against fire, the risks assumed by the different States are not equal. We live in a fire-proof house, far from inflammable materials.'

South Africa, too, was already inclined to adopt the view of the true functions of the League subsequently expressed by General Smuts at a meeting of the Royal Institute of International Affairs (January 1930)—

'There are a few traces still of the old order in the Covenant. They will disappear; opinion is hardening against them—Clause

10 and the section of Clause 16 referring to military and naval force—they have never been put into force; public opinion is hardening against those clauses.”¹

India also feared a disproportionate share in the burden of sanctions in the event of trouble in Asia, and Australia and New Zealand, while more afraid of inroads upon their domestic sovereignty than of the possible calls upon their military resources in the enforcement of sanctions, were equally uncompromising in their opposition to the Protocol. In short, disguise it how we will, the demise of the Protocol really meant that a number of countries which had willingly accepted the obligations of the Covenant in 1919 would have refused to do so in 1924. The sanctions were identical; their burden was the same; but what they entailed had become more apparent. In these circumstances, its rejection was inevitable, and the *coup de grâce* was administered by Mr. Chamberlain in his address to the Council of the League on March 12th, 1925.

The Locarno Agreements

Yet it remained evident, and was universally agreed, that some form of guarantee against the main dangers threatening European peace was indispensable, more especially if that which the Covenant had been supposed to supply was increasingly regarded as illusory. With minor occasions of conflict, indeed, the League might still be presumed able to cope, but to deal with the menace, which could not be indefinitely postponed, of a revived and powerful Germany, something more definite and specific was required before France or her Eastern Allies could be expected to co-operate in disarmament. A general system of sanctions having apparently broken down, attention was re-directed to the possibilities of regional agreements. The objection to such a system of local groupings is that it tends to promote counter-alliances, and that, once formed, the alliances on both sides will probably persist, irrespective of the merits of the policy pursued by their members, and may even become a formidable instrument of aggression. These objections are largely

¹ *Journal*, 1930, p. 150.

met if both parties to a possible dispute are combined in the same group, by a system of mutual guarantee against aggression, and agreements for the peaceful solution of their differences. A solution of this kind, so far as the Rhineland frontier was concerned, was suggested by Germany as early as 1922. Germany then proposed to France to enter into mutual pledges with the Powers interested in the Rhine to abstain from war for a generation, another disinterested Power being included in the pact as trustee. M. Poincaré, then in power in France, had, however, rejected this advance as 'a clumsy manœuvre'. The offer was twice repeated in 1923, with no better success, but at the close of 1924 a hint was conveyed by Lord D'Abernon, the British Ambassador in Berlin, that the time was ripe for a renewal of the proposal. While British opinion had usually been reluctant to enter into general commitments in unpredictable circumstances, a guarantee limited to the frontiers of France and Belgium was more in line with the traditional policy of this country, and more obviously restricted to meeting a direct threat to British strategic interests,¹ and the approaching rejection of the Geneva Protocol was likely to turn the mind of France to the favourable consideration of an alternative, though less general, method of attaining security. The German proposal was consequently revived, and transmitted to Paris on February 9th, 1925.

French opinion was not immediately favourable, and decision was delayed by governmental changes in France, Belgium, and Germany. The death of President Ebert, in February 1925, and his succession in the Reich by Field Marshal von Hindenburg seemed at first unpropitious to a policy of reconciliation. The fall of the Theunis Cabinet in Belgium prevented that country from immediately devoting its attention to the question, and the defeat of M. Herriot in April caused a further interruption. The new French Foreign Secretary, M. Briand, was, however, a man with whom

¹ 'All our greatest wars have been fought to prevent one great military Power dominating Europe, and at the same time dominating the coasts of the Channel and the ports of the Low Countries. . . . The issue is one which affects our security.' Speech by Mr. (now Sir) Austen Chamberlain, House of Commons, March 24th, 1925.

Mr. Austen Chamberlain was able to establish particularly cordial relations, and a provisional welcome was given to the proposal by the middle of May.

There were, however, difficulties on the German side as well, though Germany had initiated the proposal. M. Briand stipulated, as a condition, that Germany should enter the League without reservations, and this was difficult for a Government resting on a precarious majority derived from a coalition peculiarly dependent on Nationalist support. The Reich wished to make its entry into the League conditional on the evacuation not only of the Ruhr but of the first Rhineland zone, and also claimed a special status in regard to Article 16 of the Covenant.¹ Germany also desired to keep the question of a Rhineland pact completely severed from that of a settlement of her eastern frontiers, while France not unnaturally saw a vital connexion between the two problems.

However, negotiations progressed favourably enough to permit of the assembly of the Conference of Locarno on October 5th, and in the genial atmosphere of that charming locality agreement was speedily reached. The difficulty relating to Article 16 of the Covenant was met by the incorporation of a passage from the Protocol, limiting co-operation 'in the degree which geographical position and particular situation as regards armaments allow', and this was interpreted in Germany as extending, in her case, to a refusal to allow the transit of troops. The German delegates yielded on the point of simultaneously concluding the eastern arbitration treaties, while the question of the Rhineland evacuation had been eliminated, by agreement, from the agenda. Understandings were, however, arrived at at Locarno for the alleviation of some of the conditions of the occupation; a German Commissioner for the occupied territories was to be appointed, forces were to be reduced to 'a figure approaching the normal', and the evacuation of the first zone, which actually began in December 1925, and was finished by February 1st, 1926, was indicated as an immediate prospect.

¹ Germany probably feared that public opinion at home would not permit of her co-operation in sanctions directed to preserve Poland from Russian aggression.

On October 15th the Conference was brought to a happy conclusion by the initialing of the whole complex of documents constituting the Locarno Pact. These comprised, in addition to the final protocol:

- i. A treaty of mutual guarantee of the Franco-German and Belgo-German frontiers between Germany, Belgium, France, Great Britain, and Italy.
- ii. Arbitration conventions between Germany and Belgium and between Germany and France.
- iii. Arbitration treaties between Germany and Poland and Germany and Czechoslovakia.
- iv. A Franco-Polish and Franco-Czechoslovak treaty for mutual assistance in case of aggression by Germany.

The difficulty, arising from the reluctance of the British Dominions to accept commitments for the preservation of European security, was avoided by a clause (Article 9), exempting the British Dominions and India from obligations under the Treaty, unless specifically accepted. The passage of the Pact through the German Reichstag was not achieved without considerable difficulty, but the support of President Hindenburg enabled a majority of 291 to 174 to be secured. The treaties were signed in London on December 1st.

The immediate effect on international relations in Europe was undoubtedly most favourable. The sense of improved security which the British guarantee implanted in the minds of Frenchmen and Germans had an importance far outweighing that of the question whether, on occasion arising, it would prove possible for Great Britain to fulfil her obligations. A democracy can hardly resort to war without the support of national opinion, and, while it is comparatively easy to enlist this on the side of a known ally, the existence of two alternative allies or opponents complicates the situation. During the crisis preceding an outbreak of war, sympathy may very well have rallied to the side which eventually proves to be the aggressor; a sudden *volte-face* is then difficult. It is still more probable that, in such a case, public opinion would be hopelessly divided on the merits. So long, however, as British intervention was feared by the potential aggressors of both sides, it seemed unlikely that the reality of the Pact would be

put to the test. To scare the war-maker from his purpose is a more useful task than to arrest or defeat him when his offence has been committed. At the time of its adoption, at any rate, the Locarno Pact was a most effective and formidable looking scarecrow, which went far to justify the opinion of its creator, Mr. Austen Chamberlain, that its erection marked 'the real dividing line between the years of war and the years of peace'.

VI

THE SETTLEMENT IN EASTERN EUROPE

IN eastern Europe, the devastating processes of war, revolution, and self-determination had shattered the pre-existing structure like a vast earthquake. The history of this region, for four or five years, was a record of the final shocks and convulsions of this volcanic disturbance, and, when it subsided, the rents which it had made in the political landscape were traceable from the Arctic Ocean in the north to the Black Sea and Adriatic in the south of the continent. Each of the two main centres of upheaval, operating respectively upon the Russian and Austro-Hungarian Empires, had its peculiar and distinct characteristics. In Russia, the sundering force was, in ultimate analysis, the lateral tension exercised by the conflicting political ideals of the East and the West: its effect was to sever the semi-Asiatic Power of Russia more completely from Europe by a single fissure, continuous except for the short break between Estonia and Finland, where the Union of Soviet Socialist Republics still maintained contact with the Baltic and Western civilization.

The Baltic States and Finland

In this Baltic sector a condition of stability was soon attained, for the Soviet Government had always recognized in principle the right of the seceding states to self-determination, though it aimed at penetrating them with its political ideals, and thereby bringing them within the Soviet system as a federation of autonomous communities. In Finland, though its independence had been formally acknowledged as early as January 1918, the Soviet propaganda led to civil war, and ultimately to a 'White' reaction, which, during the Allied occupation of the Archangel region and Murmansk, started an advance against the Russians, animated by hopes of the fall of Bolshevism. The withdrawal of the Allies, however, in the spring of 1920, forced the Finnish Government to negotiate for peace, and terms were arranged at



Dorpat, on October 14th, by which the former boundaries of the Grand Duchy were confirmed, except for the addition of a narrow strip between Murmansk and Norway, which gave Finland an outlet to the Arctic Ocean. Further disputes arose, however, in consequence of the situation in east Karelia, where the population, which was of Finnish nationality, rebelled against the Soviet Government in November. As the Treaty of Dorpat had made provisions for the autonomy, under Russian sovereignty, of this region, which the Finns alleged to have been violated, the matter was submitted by Finland to the League of Nations and the Permanent Court of International Justice. The Court, however, decided that it had no jurisdiction, and the Finnish efforts on behalf of their Karelian kinsmen were therefore ineffective.

The only other question which brought Finland within the purview of international history was that of the Aaland Islands. These islands, which had been ceded to Russia, with Finland, by Sweden in 1809, were desirous of exercising the right of self-determination by a reunion with Sweden. The question was referred to the League of Nations in June 1920, and was decided in favour of Finland, subject to a number of guarantees to safeguard the rights of the population. The case is of importance, not only as the first instance in which the League intervened in a question of the allocation of territory, but also because of the important principles which it laid down, regarding the practice of self-determination.

Break-up of Austria-Hungary

The seismic disturbance to the north was, therefore, comparatively unimportant in its permanent international reactions, except where, in combination with the convulsion which had wrecked Germany and the catastrophic eruption in the former domains of the Habsburg Monarchy, it had resulted in the re-emergence of Poland upon the map, like some forgotten volcanic island. It was in the Danubian basin that the political earthquake had produced its most complex and spectacular results, where it amounted, indeed, to an explosion which had blown the whole area to unrecognizable fragments.

The form which these fragments assume upon the map has a suggestive likeness to the jaws of a hungry dog closing upon an already well-gnawed cutlet, which is following another morsel down the animal's throat: the cutlet represents the meagre remains of Austria, Hungary is the meat already swallowed, the upper and lower jaws are respectively Czechoslovakia and Yugoslavia, while the muscles which work them are comprised in Roumania, the third member of what was shortly to be known as the Little Entente. Outlying portions of the vanished Empire are included in Italy and Poland, bringing the total number of pieces to seven.

Economic Effects

The economic dislocation produced by such a cataclysm beggars description. The pre-War system constituted a single customs area, the external trade of which was directed by elaborate and costly railway communications to the Adriatic ports of Trieste and Fiume, for, though the natural outlet for its commerce was by the navigable system of the Danube to the Black Sea, the remoteness of this waterway from the main centres of European economic activity and the political uncertainties connected with a passage through the Straits to the Mediterranean had directed the flow to the west: the financial and commercial heart of the region was centred in Vienna: the country drew its supplies of industrial material predominantly from Bohemia, where a large proportion of its manufacturing industry was also situated, while from the agricultural plain of Hungary, and the districts now included in Yugoslavia and Roumania, came abundant supplies of essential foodstuffs. Now the lines of communication, both natural and artificial, were blocked, impeded, or diverted, the balance between agriculture and manufacturing industry destroyed, and the reciprocal flow of the internal trade of a great commercial unit dammed in every direction by the tariff walls of a jealous economic nationalism.

Austria

In this predicament it was Austria which fared the worst. The factories which lay within her territory had drawn their

THE PERIOD OF SETTLEMENT

oil from Galicia, their coal and many of their material resources from what was now Czechoslovakia, which was, in any case, the centre of her former industrial activity. Vienna was a metropolis which had lost its *raison d'être*; a heart from which every vital artery had been ruthlessly severed. Constructed to serve as a financial and commercial centre for a great and thriving Empire, it stood meaningless among the mountains of Austria, almost like those ruins of a bygone civilization over which the traveller wonders in the desert. But for such semblances of life as might be evoked from her by the galvanic stimulus of foreign charity, Austria appeared to be dead.

It was fortunate for her that her helpless plight was not destined to appeal in vain to the sympathy of her neighbours. It was manifest, indeed, that this was a case in which charity and self-interest coincided. If the Austrian people were not to be driven by sheer desperation into the chaos of Bolshevism, or irresistibly impelled towards that *Anschluss* with Germany which the Allies feared and their treaty prohibited, it was necessary that the country should be subsidized. But the help which was to be afforded to her was also dictated by a genuinely altruistic sentiment, into which no thought of political advantage entered. It may appear strange at first sight, since the proximate cause of the War was an Austrian ultimatum, that she should never have been regarded, even in the bitterest days of the struggle, with the feelings of hostility and detestation which had been aroused against Germany. It was German aggression which had for years been anticipated both in Great Britain and in France. These anticipations had not only been stimulated by a succession of actual crises, but by the universally accepted and probably justified belief that 'Der Tag' was habitually toasted in German military circles; they were fostered by a continuous flow of satire in the columns of *Punch* since the days of the Kaiser's telegram to Kruger (1896), and are even implied in so pacifist a work as Sir Norman Angell's *Great Illusion*, published in 1909. Moreover, from the outbreak of the War to its close, hostile sentiment had been concentrated upon Germany by such actions as the violation of Belgian neutral-

ity, the introduction of poison gas, the sinking of the *Lusitania*, and the execution of Nurse Cavell. Austria had escaped all this. In thinking of Austrians, most Englishmen thought of the gay social life of Vienna, of mountaineering friendships with the Tyrolese, of Austrian gentlemen with a kindred passion for sport, and, if only the dispute with Serbia could have been isolated, there can be little doubt that the prevailing sympathies in Great Britain would have favoured the chastisement by Austria of a people regarded, however unfairly, as a horde of uncivilized banditti. France, too, entertained no grudge against Austria, from whom, apart from her alliance with Germany, she anticipated no danger, and with whom she had no outstanding quarrel. Even Italy, in spite of traditional animosities, had been, until the War, Austria's ally: her territorial ambitions were now satiated in Austria proper, and what remained of them was concentrated on Croatsians, who by the part they had played in Austrian service had always been the special object of Italian hatred, and who now formed part of the distinct and even unfriendly state of Yugoslavia. For these reasons, the part played by Austria was as easy to forget as to forgive, and there was no obstacle to prevent the assistance dictated alike by pity and policy from being immediately mobilized in a practical form. By the irony of fate, the first steps towards the necessary assistance devolved upon the Reparation Commission, which was requested by the Supreme Council, in May 1919, to take up the question, not of reparation but of relief. In April 1920, the basis of relief was broadened to include the support of ex-neutrals, by the constitution of an International Relief Credits Committee, in consultation with which the Reparation Commission authorized the issue of bearer bonds charged upon the assets and revenues of Austria, and vested with priority over the costs of reparation under the Treaty. In February 1921, the four principal Allied Powers agreed to suspend their claims, both for reparation and the repayment of relief bonds, if their example were followed by the other creditors, and they took the important step of referring the further solution of the problem to the League of Nations. Meanwhile it became apparent that the recovery

of Austria necessitated not only relief but drastic financial reconstruction, a complete collapse being only staved off, in February 1922, through advances made from public funds by Great Britain, France, Italy, and Czechoslovakia. Later in the year a complete scheme of reconstruction was put forward by the Financial Committee of the League, and adopted in October 1922.

This aimed firstly at the effective control and reform of Austrian finances, and secondly at the facilitation of loans in the private market, through the guarantee of the four signatory Powers, Great Britain, France, Italy, and Czechoslovakia, and of any other countries willing to participate. It instituted a Committee of Control composed of representatives of the guaranteeing Governments, and appointed a Commissioner General, representative of the League, and purposely drawn from a neutral Power (the Netherlands), to supervise the programme of reform. It further instituted a new Bank of Issue, vested with the sole right of issuing notes, and independent of government control.

The necessary legislation was passed by the Austrian Parliament in November 1922. Inflation ceased, and the situation was so far improved as to admit of the flotation of the two loans in February and April 1923, the first guaranteed by the four Powers above mentioned and Belgium, while, for the second, additional guarantees were obtained from Sweden, Holland, and Denmark. Both issues were extremely successful, the second being everywhere over-subscribed within a few hours. For the time being Austria appeared to have good prospects of recovery.

The Burgenland Dispute

During the period which elapsed between the signature of the Treaty of St. Germain and the reconstruction of Austria under the auspices of the League, the apparently hopeless position of the country depressed its inhabitants into a state of political apathy, out of which they were temporarily aroused on one occasion only. This was in connexion with the dispute which arose with her companion in misfortune

and former associate, Hungary, over the question of the Burgenland. The Burgenland was a strip of territory in western Hungary, the frontier of which was, at the nearest point, within fifteen miles of Vienna. This district had been transferred by the Treaties of St. Germain and Trianon from Hungary to Austria on racial grounds, which were reinforced by strategic considerations during Bela Kun's Bolshevik régime in Hungary. Of its 330,000 inhabitants, 235,000 were German, while of the remainder only about 25,000 were of Magyar stock. The region was also of economic importance to Austria, being an important source of food-supplies, and has been described as the 'kitchen-garden of Vienna'. The Allies therefore determined upon the transference of the territory to Austria without the formality of a plebiscite, which they considered superfluous, though it was in fact at first requested by both the parties concerned. At the date of ratification of the Treaty of Trianon, however, the Burgenland was still in Hungarian occupation, and, when the day arrived for its evacuation, control was assumed by bands of Hungarian irregulars, who ejected the Austrian gendarmerie, and defied the Commission appointed to supervise the transfer. An impasse was thus created which was met by an offer of Italian mediation in October 1921. The principal bone of contention was the town of Sopron or Ödenburg, near the new Hungarian frontier, which was said to contain a large Magyar element. It was agreed to decide the ultimate fate of this town and the surrounding villages by a plebiscite, which was held on December 14th and 15th and resulted in a decisive vote for union with Hungary being returned by some 87 per cent. of the registered voters. But too short a time had been allowed for the satisfactory revision of the registers, and, two days before the plebiscite, the Austrian delegation had resigned in protest. The Conference of Ambassadors, however, which seems to have imperfectly appreciated the grounds for Austrian dissatisfaction, decided to recognize the plebiscite, and Sopron was handed over in January 1922. Considerable feeling was thus aroused, though in February the Austrian Government accepted the inevitable and agreed to recognize the transfer.

Events in Hungary

The history of this incident illustrates the fact that the Magyars of Hungary, though placed by the Treaty in an almost equally depressing situation, were folk of a less acquiescent temperament than the Germans of Austria. This morsel, in fact, though even more securely enclosed within the jaws of its enemies, was considerably more difficult of digestion. Permission, on military grounds, to Roumania to occupy temporarily a considerable sector of Hungarian territory gave rise, in March 1919, to the militant Communist régime of Bela Kun, which carried on for some time an unequal struggle on two fronts, not only with Roumania but also with Czechoslovakia. This episode was followed, after a Roumanian occupation which sowed the seeds of a lasting bitterness, by a 'White' counter-revolution of a monarchist complexion which had set up a Habsburg archduke as 'administrator' of the Hungarian Crown during its abeyance, the abolition of the Monarchy having never been recognized in Hungary nor, indeed, stipulated in the Treaty of Trianon. The Allies, however, refused to permit the return of a Habsburg administration, and the archduke acquiesced in this decision. But in March 1921, and again in October, the dovescotes were fluttered by the arrival in Hungary of the ex-King Charles. On the first of these occasions, Charles withdrew to Switzerland in response to protests from the Allies and an ultimatum from Czechoslovakia, but the second *Putsch* created a more serious situation. Taking advantage of the disturbances in the Burgenland, the ex-King arrived there by aeroplane on October 20th and began a march upon Budapest. In this emergency, the Hungarian Government acted correctly, and the coup was successfully opposed by troops under their orders, with the result that, on the 28th, the monarchist forces were defeated and their leader arrested on the following day. This, however, did not allay the excitement and alarm occasioned in the surrounding Succession States, and especially in Czechoslovakia: Yugoslavia and Czechoslovakia mobilized, and M. Beneš adopted so threatening an attitude that a curious situation arose, wherein

Hungary was appealing to the protection of the Allies against the militant insistence of Czechoslovakia. On November 7th, the ex-King was safely conveyed to Madeira, where he died in the following year, but the energetic pressure of M. Beneš by no means ceased with the removal of the main cause of the crisis. He insisted, under threats of military intervention, not only on the deposition of Charles and the legal exclusion of the Habsburgs from the throne, but also upon an indemnity for the costs of mobilization. This last demand was rejected, but his policy was otherwise successful, for in November legislation was passed which, while retaining Hungary's right to monarchical government, formally excluded Charles and changed the right of succession from a hereditary to an elective basis, while, by a separate declaration, the Hungarian Government bound itself to exclude the Habsburgs, and to make no election without the consent of the Conference of Ambassadors. The matter therefore terminated in a substantial victory for the forceful diplomacy of M. Beneš and his associates.

The Austro-Hungarian Succession States

It was, in fact, fear of their neighbours, and of Hungary in particular, as the only state with grievances against all of them, which bound the three 'satiated' Succession States, Czechoslovakia, Yugoslavia, and Roumania, in a close understanding. It may even be said that the association of different elements within the borders of two of these states was partially attributable to the same motive. As the name itself implies, Czechoslovakia was made up of two distinct if kindred peoples, differing in culture, speech, historical traditions, and economic outlook, and geographically divided by a range of mountains from which all the natural communications on the Slovak side led southward into Hungary. But the Serb-Croat-Slovene Kingdom of the Yugoslavs was a still more precarious unity. It represents, as a contributor to the *History of the Peace Conference of Paris*¹ points out, an ideal 'conceived by literary men and visionaries', and precipitately adopted in the abnormal conditions of war.

¹ Vol. iv, p. 171.

Perhaps it would be more exact to say that it represents the fusion of two ideals, a Greater Serbian movement from Belgrade, and a project for the union of the Serb, Croat, and Slovene peoples within the boundaries of the former Habsburg Empire into an autonomous state with its capital at Zagreb. The latter appears to have been the solution contemplated by the resolution of the Croatian National Parliament, passed on October 29th, 1918. But though the credentials of the Committee which offered the crown to King Alexander on December 1st have been called in question, it seems probable that the union with Serbia had at the time the general support of Yugoslav opinion, though it must be remembered that the advantage of presenting a united front to the Italian claims under the Treaty of London played an important part in the decision. But Croat and Serb are an ill-mated couple, with fundamental differences in mentality. The Serbs are a nation of primitive peasants, but lately emerged from 350 years of Turkish domination; the Croats have European memories of a kingdom dating as far back as the tenth century; the influences by which they have been moulded have been Roman rather than Byzantine. The Croats are Catholics, the Serbs Orthodox, and though the two peoples speak the same language, they use different alphabets. The Yugoslav nation was in fact held together in a state of tension by external pressure, and there was danger that, like the bulb of annealed glass known as a Rupert's drop, it might altogether disintegrate when the pressure was relaxed.

Roumania and the Little Entente

The third member of what was eventually to be known as the 'Little Entente' was impelled to a policy of alliance by a far more serious combination of irredentist dangers than either of her two associates. From Bulgaria she had retained the Dobrudja, as spoils of the Balkan War of 1913, though on ethnic grounds it was indisputably Bulgar. Hungary had not only been deprived in her favour of Transylvania, but was embittered by the recollections of the Roumanian occupation occasioned by Bela Kun's régime, which had been accom-

panied by acts of spoliation not easily forgotten or forgiven, and had brought Roumania into open collision with the Supreme Council of the Allies. Besides this, she had a precarious hold on Bessarabia, which the Soviet Government refused to recognize, and which, grounded as it was on the vote of an irregularly constituted Bessarabian Council, was not recognized by the Allies until March 1920, when the collapse of Roumanian recalcitrancy induced them to adopt a more favourable attitude. Even then the Treaty of October 28th, implementing this recognition, was not supported by the United States or ratified by the Powers except Great Britain, while it evoked immediate protests from the Russian Government. Roumania was thus sorely in need of friends, and Mr. Take Jonescu's policy was consequently directed towards a general defensive alliance between the five 'victor' states of the region, i.e. with Greece and Poland as well as between the three who subsequently formed the Little Entente. Czechoslovakia and Yugoslavia, however, were determined not to enter into an anti-Russian combination, both because of the sentimental tie between Slavonic peoples, and because they believed in Russian recovery and consequently regarded the existing frontier with Russia, either in Poland or elsewhere, as dangerously unstable. The real initiator of the Entente was therefore M. Beneš of Czechoslovakia, who began by entering into a purely bilateral convention with Yugoslavia, in August 1920, which was directed towards the maintenance of the Treaty of Trianon and mutual defence against Hungarian aggression. Preparations were at once made for the conclusion of a similar agreement between Czechoslovakia and Roumania, but before it had gone farther the first *Putsch* of the ex-King Charles increased the urgency of the step proposed, and on April 23rd, 1921, a second bilateral agreement of substantially the same kind as the first was signed by Czechoslovakia and Roumania. The triple nexus of treaties was completed on June 7th by a convention between Yugoslavia and Roumania, which differed from those concluded with Czechoslovakia in being aimed not only at Hungarian but also at Bulgarian aggression. Thus, when Charles made his second appearance, the Little

Entente was really in being, and this no doubt accounted for the energy with which M. Beneš pursued his policy, and the success which he achieved. Roumania, however, showed during the crisis comparatively little solidarity with the remaining members of the Entente.

Effects of Hungarian Reconstruction, 1923-4

A glance at a map will emphasize a point to which allusion has already been made—the paramount importance of the Hungarian danger in uniting the Little Entente. Czechoslovakia is geographically a part of central Europe; a natural ally of France and Poland, on guard against the threat of German expansion; Yugoslavia and Roumania have common Balkan affiliations, facing a possible Bulgarian irredentism; in the meanwhile, if Hungary is discounted, Roumania is mainly preoccupied with Russia, and Yugoslavia with Italy and the question of the Adriatic. The three members of the Entente shared of course a general interest in the maintenance of the territorial settlement; on a broad classification they belonged to the anti-revisionist grouping; but for the moment the individual preoccupations of each were likely to become prominent if the tension created by fear of Hungary were relaxed. In 1923 this effect was produced by the discovery that Hungary, like Austria, was financially dependent upon the goodwill of her neighbours and ready to submit to a scheme of reconstruction modelled closely upon that which had proved so successful in the case of Austria. The necessary arrangements, which were completed in May 1924, won the approval and support of the Little Entente, and the relief to their anxieties brought about, to some extent, a new orientation of each member's policy. When France, whose adventure in the Ruhr had alienated British support and increased the risk of disturbance in Germany, made advances in January 1924 with the object of extending the system of alliance which had begun with the Franco-Polish Treaty of 1921, the immediate reactions of the separate members of the Little Entente differed from one another. France secured at once a treaty with Czechoslovakia (January 24th, 1924), but Roumania, for the moment, refused the overture; while

Yugoslavia was actually engaged at the time in signing a treaty with Italy, in circumstances to which our attention must now be turned.

Italo-Yugoslav Relations

If the external policy of Yugoslavia had been directed against the possible irredentism of Hungary and Bulgaria, her internal unity was largely maintained by the pressure of Italian claims on the Adriatic coast-line. Based as these were upon promises made by Great Britain and France in the Treaty of London (April 26th, 1915), they had the substantial support of three out of the four Great Powers who controlled the Peace Conference. President Wilson, indeed, would have disregarded the Treaty, of which he said that he had never heard until his arrival in Paris, but the British and French memorandum of February 1920¹ shows clearly that these Powers considered themselves bound to give at least partial effect to its obligations. In contesting the Italian claims, it was obvious that a Yugoslavia which included a former belligerent ally, Serbia, stood in a stronger position than a new state carved exclusively from the possessions of a defeated enemy. And circumstances prolonged the struggle with Italy far beyond the termination of the Peace Conference. Though the main question of the frontier was settled in February 1921 by the Treaty of Rapallo, the filibustering of the poet D'Annunzio, who seized and occupied Fiume in September 1919 and was not finally ejected until January 1921, brought a new difficulty into the situation, since the port still remained in Italian hands and was the scene of repeated nationalist disturbances. The problem was, indeed, not completely solved by the signature of an Italo-Yugoslav agreement on October 23rd, 1922, for this was followed on the 30th by the commencement of Mussolini's dictatorship in Italy, an event which did not seem to augur well for the continuance of a conciliatory foreign policy. The frontier remained undelimited in its most contentious sector, and the appointment of General Giardino as Governor of Fiume in March 1922 gave rise to serious misgivings, for he appeared

¹ *History of the Peace Conference of Paris*, vol. v, p. 423.

from his actions to be obeying instructions to incorporate the town in Italy in every respect; more especially since his arrival coincided closely in date with the Corfu incident.¹ The question was, however, finally settled by an agreement signed in Rome on January 27th, 1924, together with a useful 'Pact of Friendship and cordial Collaboration' between the parties, which was executed simultaneously. By this arrangement the original solution creating a Free State of Fiume was abandoned, and the greater part of the disputed territory was incorporated in Italy, leaving Yugoslavia in possession of the adjacent Port Baros and provided with satisfactory economic facilities in the main harbour. Though the question of Fiume was thus settled, the terms were more palatable to the Serbian than the Croatian and Slovene sections of Yugoslav opinion, and the internal tension was not diminished. The Serbian requirements of access to the sea had been satisfied in May 1923, by a convention with Greece, affording to Yugoslavia a 'Free Zone' in the port of Salonika, which, however, was not formally handed over until 1925.

Albania

'Friendship and cordial collaboration' did not, however, show much promise of permanence. A state of affairs in which one nation looks at the sea while another controls most of its ports is hardly conducive to harmonious relations. But a phase of the Adriatic question specially calculated to bring into conflict the rival interests of Italy and Yugoslavia was that connected with the status of Albania. Although, prior to the grant of autonomy in 1912, that country was politically a part of Turkey, it was sufficiently a separate region to be an object of interest not only to the neighbouring Balkan States, but in particular to Italy and Austria-Hungary. Both these Great Powers are believed to have expended considerable sums in subsidizing the local politicians, and, from the date of its existence as an autonomous unit, it may be described as a sort of Adriatic Constantinople, whose continued existence was preserved by the conflicting jealousies of its neighbours. During the Balkan War of 1912, the resistance of

¹ See p. 84.

both Italy and Austria-Hungary to the emergence of a third Power on the Adriatic defeated the attempts of the Balkan allies to dismember it, and in July 1913, the Conference of Ambassadors in London declared Albania an independent sovereign state. Parts of the country were, however, eyed covetously by Serbia, Montenegro, and Greece; Austria-Hungary regarded it as a special sphere of her interest, while Italy was nervous of the occupation by any important Power of the fine harbour of Valona, sixty miles from the Italian coast, which controls the access to the Adriatic. Even before her intervention in the War, Italy occupied the Island of Sasseno, at the entrance to the harbour, and from November 1914 she occupied Valona itself. By the Treaty of London, April 1915, the Allied Powers contemplated the partition of Albania between Italy,—who was to retain Valona, Sasseno, and the adjoining region—Montenegro, Serbia, and Greece, but in 1920 it was proposed to give Italy a mandate over the whole of Albania, with full sovereignty over Valona. She had, however, an uncomfortable time at the hands of the surrounding population, and in August 1920 an agreement was signed between Italy and the Albanian Government, providing for the independence of the territory and the evacuation of the Italian forces. Meanwhile, Yugoslavia had inherited both the Austrian and the Serbian outlook, Greece and Yugoslavia were demanding the revision of the frontier defined in 1913, complaints of Yugoslav incursions came repeatedly before the League of Nations, and, thus stimulated, the Conference of Ambassadors, on November 9th, 1921, confirmed the 1913 frontier, subject to the further delimitation of certain portions.

On the same day a remarkable declaration was signed in Paris by the British, French, Italian, and Japanese Governments. This instrument recognized in an emphatic way the paramount interest of Italy, and declared that in the event of an appeal to the League by Albania for the preservation of her territorial integrity, their representatives on the Council would recommend that the restoration of the frontiers should be entrusted to Italy. This declaration has been the subject of some criticism as a derogation from the

principles of the League.¹ Enough has here been said to indicate to the reader the explosive possibilities of a situation of which more will be heard at a later stage.

The Corfu Incident

It was out of the work of delimitation ordered by the Conference of Ambassadors in November 1921 that an incident occurred which may be regarded as an early test of the working of the post-War system. On August 27th, 1923, an Italian General with three other Italian companions and an Albanian were murdered on Greek soil in the neighbourhood of Janina while carrying out the work of delimitation. After an ultimatum vividly reminiscent of that delivered by Austria to Serbia in 1914, and a submissive reply of much the same tenor as the Serbian, the Italian Government sent a squadron to the Greek island of Corfu, which it occupied after a bombardment which caused casualties among some unfortunate Greek and Armenian refugees from Anatolia, who were housed in the obsolete fortress. On September 1st two Notes were delivered, one from the Greek Government to the Council of the League calling attention to the Italian ultimatum—though not the bombardment—and another from the Conference of Ambassadors to the Greeks, protesting against the outrage and demanding an inquiry. In answer to the second Note, the Greek Government submitted in advance to any decision by the Ambassadors' Conference, and thus the case was unfortunately in the hands of two distinct authorities. The Council of the League acted with vigour and promptness, but its activities were impeded, not only by Signor Mussolini's threat to occupy Corfu indefinitely if the League intervened, but by the refusal of the Italian representative at Geneva to assent to action by the Council. After Articles 10, 12, and 15 of the Covenant had been read aloud as a comment on the Italian attitude, a plan of settlement was drawn up at an informal meeting of the Council, and sent to the Conference of Ambassadors. Since this proposal, with unimportant amendments, was accepted by the Conference of Ambassadors

¹ See paper by Mr. Wickham Steed. *British Institute of International Affairs Journal*, May 1927.

and, within forty-eight hours, by both parties to the dispute, the incident appeared to have ended satisfactorily. Under the terms agreed upon, a sum of 50,000,000 lire was to be deposited by Greece to await the decision of the Permanent Court of International Justice. A few days later, however, the Conference of Ambassadors receded from their position, and, alleging negligence by Greece on the strength of a preliminary report by the Inter-Allied Commission of Inquiry, peremptorily insisted on the payment to Italy of the Greek deposit. This denouement, which looked painfully like paying the aggressor to evacuate Corfu, was not calculated to discourage the recurrence of similar incidents.

Graeco-Bulgarian Relations

The mention of Greece in this connexion renders it convenient to digress for a moment from consideration of the concerns of the Little Entente, and to transfer our attention from the Danubian basin to the Graeco-Bulgarian frontier. During the earliest stages of the post-War period, Bulgaria, like Austria, was too much exhausted to constitute a serious danger, while the attention of Greece was concentrated upon her disastrous adventure in Anatolia (see Chapter VIII). The repulse of the Greeks by the Turks created, however, a new situation which had important reactions upon the Macedonian frontier. The flight of Greek refugees from Anatolia made it necessary to find space to accommodate them in Greece: this question was complicated by simultaneous attempts to repatriate Greek and Bulgarian minorities respectively across the Macedonian border. While the influx of Anatolian Greeks could be partially met by the transfer of Turks to their own country, the effort to induce Bulgarians to withdraw was also stimulated, with the result that continual complaints arose as to the treatment of this section of the population. Moreover, since most of the transferred Greeks and Bulgars settled in the frontier regions where communities of the opposite race were most numerous, relations progressively deteriorated, and acts of violence together with *komitadji* raids and other frontier incidents were increasingly the subject of complaint.

A particularly serious incident occurred at Tarlis, on the

Greek side of the frontier, in July 1924, when a number of Bulgarian prisoners, arrested for supposed complicity in a *komitadji* raid, were massacred by their escort in circumstances found by the Mixed Emigration Commission to be completely without justification, though the Greek Government was exonerated from responsibility. An attempt was made to arrive at a satisfactory settlement of the minority problem by the signature of two protocols in September 1924, as a result of negotiations which took place during the session of the League Assembly. This effort was, however, frustrated, mainly owing to pressure from the Yugoslavs, who felt that the Greek admission of the existence of a Bulgarian minority in Macedonia was prejudicial to their own claims in the part of Macedonia which was under Serbian rule. The Greeks abandoned the protocol, and matters remained as before. A crisis developed in October 1925 as the result of a frontier incident at Demir-Kapu, where a Greek soldier was killed and the Greek commandant of the post was shot dead in an endeavour to mediate under cover of a white flag. The Greeks began a serious invasion of Bulgarian territory, and war was only stopped by the intervention of the League of Nations, whose supporters rightly claim this episode as perhaps the most strikingly successful instance of the efficacy of its machinery for the preservation of peace. In this case, aggression was not only checked but signally penalized, for the League Commission of Inquiry recommended the payment of reparation by Greece to Bulgaria to the amount of about £45,000, and the sum was paid in full by the beginning of the following March (1926). Another aspect of the question is, however, stressed by an historian of modern Greece: 'It was not unreasonably felt in Athens, that Greece had been sacrificed a second time to save the prestige of the League, which turned the left cheek to Great Powers and demanded the uttermost farthing from small States.'¹

Poland and her Neighbours

The reluctance of the Czechs and Yugoslavs to include Poland in their system of defensive alliance was, as already

¹ Miller (W. R.): *Greece* (Modern World Series), p. 94.

indicated, partly due to their sympathy with Soviet Russia and belief in her ultimate recovery, and also to their appreciation of the exceptionally risky position which Poland occupied, between two Powers of the size and potential strength of Germany and the Soviet Union. In the first years following the peace, a rapprochement between these two countries was a danger very generally feared—witness the concern occasioned, in April 1922, by the signature of a Russo-German Treaty at Rapallo. Apart from this, there were outstanding differences between Poland and Czechoslovakia, which maintained rather strained relations for some time. The question of Teschen had, in February 1919, brought the two countries into actual collision, while the boundary dispute in the Zips region over the Javorzina district dragged on unsettled until 1924, and had ultimately to be referred from the Conference of Ambassadors to the League of Nations.¹

The new Poland, indeed, seemed more distinguished by a reckless and almost fanatical patriotism, leading her to pursue a policy of liberation to the farthest limits occupied by her scattered people, than by the diplomatic prudence which her precarious situation demanded. During the Peace Conference, for example, she had carried on hostilities against the Ruthenians of East Galicia in open defiance of the Supreme Council, and it must be admitted that the *fait accompli* with which she thus confronted them led ultimately to her acquisition of a stretch of territory to which she had a most questionable claim on racial grounds. Having, as a compromise, been originally allotted a mandate over East Galicia for twenty-five years, after which the question was to be reconsidered by the League of Nations, Poland was eventually, in March 1923, assigned the whole region.

Relations with Lithuania

A similar—and similarly successful—intransigence characterized the relations of Poland with her new neighbour, Lithuania. There can be no doubt that the Poles were disappointed by the decision of this state to adopt an

¹ For details of this dispute see *History of the Peace Conference of Paris*, vol. iv, p. 364, and *Survey of International Affairs*, 1924, p. 457.

independent existence, since, prior to 1795, Lithuania had been united with Poland. Her self-determination had been proclaimed, during the German occupation of 1917, by a *Tarba* or national council in Vilna, which was the projected capital for the new state. The claim had been recognized, with some qualifications, by the Germans in January 1918 and conceded by the Kaiser in March. The German withdrawal after the Armistice was followed, however, in January 1919, by the return of the Russian Bolsheviks, and Vilna was next retaken by the Poles in April 1919. On July 12th, 1920, when Vilna was still in Polish occupation, the Lithuanian and Soviet Governments signed a treaty of peace, which ceded to Lithuania not only Vilna, but also territory near Suvalki which had been declared to be Polish by the Supreme Council on December 8th, 1919, though the decision had never been communicated to the Lithuanians. Two Notes annexed to the treaty gave permission to the Russians to occupy Lithuanian territory in the course of their military operations against Poland. On July 14th, 1920, the Bolsheviks recaptured Vilna, and the Lithuanians at once proceeded to occupy it and the territory transferred to them by the Russian treaty. By a later fluctuation of the fortunes of war, a new Polish advance against the Russians took place in August, in the course of which a collision occurred between Polish and Lithuanian troops near Suvalki. Poland thereupon appealed to the League of Nations, and on October 7th, 1920, an armistice convention was signed at Suvalki, providing for a line of demarcation which left Vilna well within the Lithuanian frontier. This agreement was timed to come into force on October 10th, but on the previous day Vilna was forcibly occupied by General Zeligowski, a semi-independent commander, allied with and paid by Poland. His action was officially disowned by the Polish Government, but the town remained in Polish occupation. Since force was unavailable, and negotiations were fruitless, the efforts of the League of Nations to handle the situation were unsuccessful: the Poles retained possession, which in this case proved more than nine points of the law. After two years, in February 1923, the Polish Government appealed to the Conference of

Ambassadors, and on March 15th they were awarded an official title to the town and district of which they had been so long in *de facto* occupation.

Memel

Thus instructed in the advantages of 'direct action', the Lithuanians proceeded to apply the same methods to the determination of another problem—the status of Memel. This German town and territory, on the right bank of the Niemen, had, up to the end of 1922, been administered on behalf of the Allies by a French High Commissioner. Though it was clearly essential that the port should have special relations with Lithuania, the project appears to have been under consideration of creating it a self-governing territory, on the model of Danzig. Fearing such a solution, the Lithuanians, in January 1923, invaded Memel, and compelled the surrender of the French garrison after some street fighting. As this incident occurred on the eve of the French occupation of the Ruhr, the Allies had no troops to spare for the restoration of their authority; they consequently took refuge in negotiations which eventually left the juridical sovereignty in the hands of Lithuania. Though a convention suggested by a Commission of the League, which was accepted in March 1924, secured a measure of autonomy to the inhabitants and rights of transit for Poland, it cannot be said, in this case either, that the position of the aggressor was in any way prejudiced by his high-handed action.

Upper Silesia

In the settlement of the Upper Silesian problem, we observe the same tactics employed on behalf of Poland, though the measure of success achieved is, perhaps, more disputable. The Treaty of Versailles, in its original form, had proposed to transfer, without consulting the wishes of the inhabitants, the greater part of the former German province to Poland.¹ In response to protests, however, it was decided to hold a plebiscite in the area in question and this was accordingly done (November 30th, 1921) to the marked disappointment

¹ A small portion was also destined for Czechoslovakia.

of the Poles. The announcement of the plebiscite figures, which resulted in a majority in favour of Germany of 717,122 votes against 483,154, excited a fear in Poland that the whole district might be restored to its former owners, Mr. Lloyd George, in particular, being believed to favour this solution. In consequence, a serious rising broke out on May 3rd, 1922, under the leadership of the Polish plebiscite commissioner, M. Korfanty. For the time being, the Allied control of the district was rendered impotent, a feature of the situation being the almost undisguised support which the Polish claims received from the French garrison. On May 11th *The Times* correspondent reported that 'the first marching in of the insurgents met with friendly greetings from the French soldiers', and further,

'In Beuthen there is a battalion of French chasseurs with tanks to preserve order. The armed insurgents can parade with impunity past the French barracks, and keep the town awake at nights fusillading down the streets.'

Owing to this dissension between the Allies, it is impossible to say how much the eventual solution of the problem owed to these violent methods, but in August 1922 the Supreme Council referred the matter to the League of Nations, who suggested the partition eventually adopted. This solution, while probably the best available in the circumstances, has been stigmatized as 'the easiest compromise between justice and the interest of the stronger',¹ and it is difficult to resist the conclusion that Poland was certainly not penalized, and probably gained, as the result of her tactics. In any case, a 'judgement of Solomon', while providing a satisfactory test of the validity of conflicting pretensions, loses much of its effectiveness when executed, and tends to promote some dissatisfaction on the part of each claimant, neither of whom is likely to be content with part of a baby from whom some vital organs have been severed.

Alliances with France and Roumania

Though Polish policy was characteristic of the spirit of her people, it need not be imagined that she would have pursued

¹ *Journal of the British Institute of International Affairs*, vol. i, p. 28.

the same course in isolation. From the first, her resurrection had been looked upon with particularly friendly eyes by France, who welcomed the return of her historic ally, for whom Russia had only in comparatively recent times been substituted. Since the days of Richelieu, if not earlier, France had pursued a policy of balancing the central European power by means of alliances on its eastern frontiers, and among these allies, so long as she existed, Poland had usually been prominent. It is therefore intelligible, if scarcely excusable, that in all the questionable steps which have been outlined above Poland should have been able to rely on French support, and as early as February 18th, 1921, the situation had been regularized by the signature of a definite treaty of alliance. This was followed, a few weeks later (March 3rd, 1921), by the conclusion of a treaty between Poland and Roumania, who faced an even greater danger from Russia than her prospective ally, and was consequently not deterred by the same considerations which influenced the other members of the Little Entente. This treaty, however, did not constitute a general defensive alliance, but was restricted in its scope to the defence of the two countries on their eastern frontiers. The further development of relations between France, Poland, and the members of the Little Entente belong more properly to a later chapter. This period is concerned principally with the conclusion of the territorial settlement, and at this stage matters were as we have left them.

The moral likely to be drawn from the circumstances narrated in this chapter augured ill for the prospects of a new world based on the renunciation of force and the general acceptance of arbitral decisions. In practically every instance in which a nation had resorted to force or the threat of it, its ends had been promoted if not wholly achieved. Violence and disorder had restored Sopron to Hungary, the retention of Fiume by Italy had been facilitated by the inexcusable filibustering of D'Annunzio, without force it seems unlikely that Poland would have obtained possession of Vilna, or Lithuania have achieved the position in Memel which she was permitted to enjoy. Upper Silesia seems to point the same deplorable moral; and the Corfu incident constituted

no exception. The Graeco-Bulgarian incident may seem to be one, but in this case it is at least doubtful whether war was commenced as an instrument of policy. It must anyhow be confessed that in no case but the last did a resort to 'direct action' compromise the prospects of the aggressor. Allowance must of course be made for the dissensions of the Supreme Council and their lack of available power in a period of war-weariness. But the fact unfortunately remains, and the hitherto unsolved difficulties connected with the establishment of an era of peace and security owe not a little to its existence.

VII

THE EXTERNAL POLICY OF SOVIET RUSSIA

BEFORE the close of 1920, all attempts at external interference with the revolutionary Government of Russia had broken down. British and other Allied support had been withdrawn from the 'White' commanders, Denikin had been defeated in 1919, Kolchak in the beginning, and Semenov and Wrangel before the end, of 1920, and, though the Japanese still occupied Vladivostok, Siberia east of Lake Baikal was not at this time under the direct rule of the Soviet Government in Moscow, which had recognized the proclamation of an independent federated republic in this region. This was only formally reunited with Great Russia after the Japanese evacuation in 1922.

It was essential, however, for the Soviet Government to endeavour to break through the economic ostracism to which European disapproval of its tenets had condemned it. If man cannot live by bread alone, the Russian famine of 1921 made it evident that the principles of Communism, in a capitalistic world, were no satisfactory substitute. The relaxation of those principles by the adoption of the new economic policy in April 1921 was symptomatic, and it was combined with repeated and determined efforts to re-establish commercial relations with the outside world. As early as May 1920 a trade delegation under M. Krassin had visited England, but though his mission bore some fruit in the shape of the Anglo-Russian Trade Agreement of March 1921, this did not effect any substantial improvement, since it was unaccompanied by *de jure* recognition, and made no provision for the re-establishment of that credit which the Russians had forfeited by the confiscation of foreign property and the repudiation of external debts. The British Government at this time was fully alive to the necessity of promoting the resumption of international trade, and it was due to the action of Mr. Lloyd George at the Cannes Conference of January 1922 that Russia was enabled to attend the general Conference which succeeded

it in Genoa in April of the same year. But the only tangible result of this meeting was the conclusion of the Treaty of Rapallo between Germany and the Soviet Government, which accentuated the suspicion and distrust of the other Powers participating. Apart from this, the negotiations broke down on the question of compensation for private property nationalized by the Revolutionary Government, a point on which Belgium and France opposed all suggestions for compromise, insisting upon full restitution. The attitude of the Russians, after their success with the Germans, was also far from conciliatory: they stood out in the later stages of the Conference for complete cancellation of War debts, and stipulated for the grant of extensive direct credits to their Government. They also claimed compensation for the results of the Allied support of the 'White' counter-revolutionaries.

A further difficulty which continued to impede the conclusion of satisfactory arrangements lay in the persistent Communist propaganda by means of which the Russians sought to foment revolutionary movements in all parts of the world. The original leaders of Soviet policy, indeed, regarded themselves as the missionaries of a world-wide economic and social revolution, and to them Russia was merely the instrument by which their ultimate objects could be promoted. Nationalism was irrelevant to their creed: it was for this reason that they were willing to subscribe to the doctrine of self-determination and to permit the existence of a large number of outwardly autonomous communities within the confines of Russia itself. Near the frontiers, such contented racial units which had adopted the Communist faith were politically a safeguard against counter-revolutionary invasion and a base for the extension of Bolshevik influence. Viewed from this standpoint, the republics of Karelia on the Finnish border, Moldavia confronting dissatisfied members of its own race within the confines of Roumania, and the Ukrainian and White Russian republics on the Polish frontier might have met with the approval of a national diplomat of the ordinary type. The method of Bolshevism was that of the Böig in *Peer Gynt*, to win without fighting; it was for this reason that the Soviet Government had been prepared to offer to Poland, in the

summer of 1920, far better territorial terms than the Allies at the time were contemplating. By thus conciliating nationalistic aspirations they hoped to rally to their cause the workers of Poland, and thus to bring another country within their political orbit; and it may well be that their object would have been achieved, but for the unexpected success of the Polish army. In the neighbourhood of the Russian frontiers there was therefore no inconsistency between the national interests of the former Empire and those of Communism as a world-movement. The revolutionary movements which the Soviet leaders fostered in Bulgaria after the fall of M. Stambolisky's Government in 1923, and in Estonia and Latvia in 1924, were in no way disadvantageous to Russia, and, had they succeeded, as they had in Transcaucasia in 1920-1, they would have resulted in a valuable extension of the Russian sphere of control.

It was otherwise with the propaganda and intrigue conducted in Communist circles at a greater range. The Soviet Government was forced by circumstances to seek the financial and commercial assistance of the capitalist world, and their efforts in this direction were bound to be hampered by the missionary activities of the Third International. During the lifetime of Lenin, there was little or no distinction between the organization of the International and that of the Russian Government. The same small hierarchy directed both, and there was therefore little possibility of divergence between their respective policies. They were two parts of the same machinery, both operated by the driving force of that numerically small *corps d'élite* which constituted the Communist party. But, since Russia was an essential instrument in the international campaign, it was necessary to preserve its efficiency, and a natural cleavage soon grew up between those whose business it was to look after the tool and those who were concerned to use it, even if they damaged it, as part of a wider task. Thus arose a situation, most confusing to external students, wherein certain Communists in positions of authority constantly affirmed the essential identity of the Third International and the Soviet Government, while others, equally entitled to be heard, as strenuously denied it.

With Lenin's death, in January 1924, this divergence of

outlook became clearly perceptible. The Kommissars entrusted with the internal and external affairs of Russia, Krassin and Chicherin, developed an increasingly specialized interest in their tasks. The latter, as Kommissar for Foreign Affairs, became, in language and action, hardly distinguishable from a conventional diplomatist of the old school. Zinoviev, on the other hand, who presided over the activities of the Third International, was quite undeterred in his task of permeating the world with Communist principles and propaganda, by any consideration of its reactions upon Russian prosperity. His methods were explained in public speeches with an engaging candour. While he continued openly to revile and ridicule the constitutional Socialism exemplified by such an organization as the British Labour Government of 1924, in diatribes described by Mr. MacDonald as 'of great assistance to me and the Government', he yet valued it as an organism in whose constitution the red bacillus of Communism might hopefully be injected.

'A Labour Government [he said] is the most alluring and popular formula for enlisting the masses in favour of a dictatorship of the proletariat. We must make the most of opportunities offered by such "Labour" Governments as, for instance, MacDonald's. . . . The worker, peasant, and railwayman will first do their revolutionary "bit", and only afterwards realize that this actually is "the dictatorship of the proletariat".'¹

In this view, he was doubtless encouraged by the rapidity with which the bourgeois-democratic revolution of March 1917 had developed into the proletarian-Bolshevik revolution of November. Indeed, since Communism does not rely upon majority support, this method of making the masses the unwitting instrument of a policy destined to enslave them possesses distinct advantages over a direct frontal attack. The failure of mass-revolution in Germany, Hungary, and elsewhere had only led to a violent reaction against Bolshevik tenets and propaganda, and the Third International had consequently come to rely, to an increasing extent, on the introduction of Communist 'cells' into the political organism. So proud, however, were the Russian revolutionaries of their

¹ Speech to the Congress of the Third International, July 1924.

methods, that they largely neutralized their effects by the extreme frankness with which they were in the habit of discussing them. Indeed, the 'cell' method was not regarded as essentially secret;¹ in Russia the minority admitted to the Communist party was itself looked upon as a nucleus of the same character. Zinoviev and his associates, therefore, were not only in the habit of expounding their *modus operandi* in public speeches; their correspondence with Communist organizations in other countries, which they made little attempt to conceal, was also couched in terms likely to arouse the liveliest protests from any constitutional government.

Authentic letters of this description came to light in 1923 and 1924, addressed to Norwegian, German, and American disciples. But disclosures of this kind naturally affected all efforts towards recognition and commercial rapprochement most prejudicially.

In Great Britain, especially, these tactics showed an astonishing degree of political ineptitude. The early date at which a trade agreement had been secured, during the tenure of office of a Coalition Government containing a strong Conservative element,² augured well for the prospects of full recognition and closer and more profitable relationships, but abstinence from propaganda was an essential part of the undertaking upon which the agreement was based, and with this undertaking the activities of the Third International were wholly incompatible. The British Government displayed great patience and forbearance: repeated violation of the terms of the undertaking were met with nothing stronger than protests; when, in February 1924, a Labour Government came into power, one of its first acts was to announce the *de jure* recognition of the U.S.S.R., and in April a conference was convened in London, having as its object the conclusion of treaties for the settlement of outstanding differences and the restoration of Russian credit by means of a loan guaranteed by the British Government. After the negotiations appeared to have broken down, agreement was eventually

¹ Marx was particularly opposed to all forms of secret action.

² The agreement was actually signed by a Conservative Chancellor of the Exchequer, Sir Robert Horne (March 16th, 1921).

reached at the eleventh hour, but it soon became apparent that the treaties had little chance of being accepted by Parliament, owing to the opposition which they aroused not merely in Conservative but also in Liberal circles. At this point, therefore, Mr. MacDonald decided to appeal to the country, though the actual issue on which Parliament was dissolved was not the treaties themselves, but the cognate matter of 'The Campbell Case', which had itself involved allegations of Soviet propaganda. It was therefore above all things necessary, from the standpoint of Russian diplomacy, that nothing should be done to alienate or alarm the public opinion of Great Britain.

Five days before the date fixed for the election England was startled by the disclosure of the notorious 'Zinoviev Letter'. Its authenticity remains in doubt, but there can be no dispute that it was in any case *ben trovato*. Such letters had in fact been written by Zinoviev, as we have seen, on numerous occasions, and the tactlessness involved in choosing this particular time was no more than the world's previous experience might lead it to expect of him. The inevitable result of the disclosure, coming when it did, was to ensure the return of a Conservative Government to power, and the treaties were incontinently scrapped.

De jure recognition, however, remained, and in the course of the year 1924 the Soviet Government was able to congratulate itself on having achieved important progress in this respect. Its desire to secure recognition had led it to promise specially favourable terms to the first Power to concede it. Italy, which had no serious outstanding claims against Russia, was accordingly first to open negotiations, and, though British recognition actually preceded Italian recognition, a commercial treaty, which included this advantage, was concluded in March 1924. M. Herriot's Government in France followed suit in October, and by the end of the year the number of European states which had accorded *de jure* recognition had risen from six to fifteen. The United States of America, however, continued to withhold recognition.

Meanwhile, the exponents of the international side of Russian Communism had been entertaining great hopes of

winning the masses of Germany to their cause. Such a success would have been of profound importance, owing to the central position occupied by Germany among the countries of Europe; and the provocative action of France in occupying the Ruhr in January 1923 appeared to afford an opportunity which could not be neglected. The Third International consequently dispatched M. Karl Radek to Germany to maintain contact with the German Communist party, and there seems a strong probability that a serious revolution would in fact have broken out in the course of 1923 had not the Russian emissary, who regarded such an outbreak as premature, exerted his influence to restrain the movement. For this action M. Radek was severely censured by the Central Committee of the Russian Communist Party. Owing, however, to the feelings aroused by the occupation of the Ruhr, the situation remained critical as late as October 1923, and disaster seems to have been but narrowly averted.

In Oriental countries the Russian propaganda was of a somewhat different type. In these parts of the world there were signs of a close co-operation between the political diplomacy of the Soviet Government and the missionary zeal of the Third International. In India and the Far East, the enmity of the masses was directed rather against the alleged 'imperialism' than the 'capitalism' of Western Powers. The leaders of anti-European movements were Nationalists rather than Communists, and were, in fact, largely drawn from capitalist classes. For this reason, the contacts established by Soviet propaganda in these regions seemed rather to serve the interests of traditional Russian diplomacy than to attract converts to the cause of Communism.¹

At the end of 1924 the international revolutionary activities of the Russians had been discredited by a number of failures,

¹ An authority who was good enough to read this chapter in draft points out that 'it would, from the Communist point of view, be quite unscientific to apply the same methods of propaganda to undeveloped oriental countries as to western European. In the former the bourgeois revolution has not yet taken place, and they are not therefore in any sense ripe for the proletarian revolution and the collapse of capitalism. In these circumstances the Communists would never admit that they were in any way inconsistent in carrying on propaganda in those countries on nationalist rather than anti-capitalist lines.'

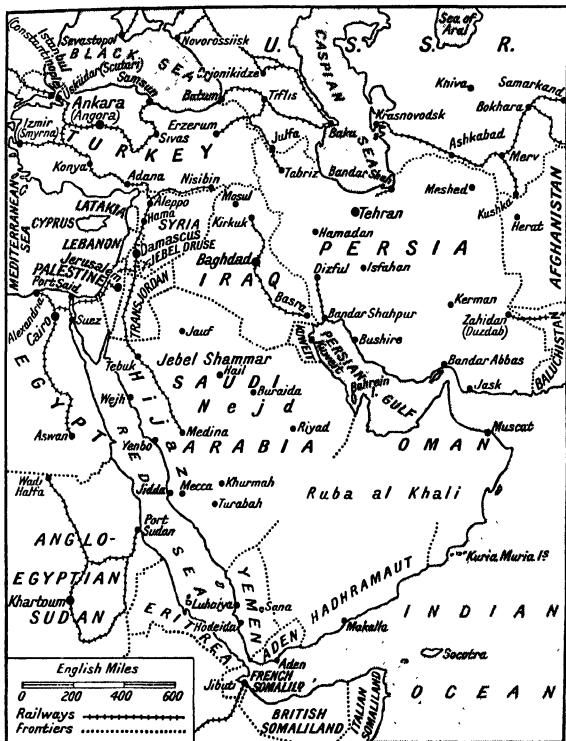
while the diplomatic successes of the Soviet Government had been considerable, and would have been more so but for the obstacles to its policy created by the Third International. The revolutionary movements in different parts of Europe had been checked or defeated, in spite of unusually favourable circumstances, while in Great Britain the persistence of Bolshevik propaganda had proved an unrelieved disaster. In 1926 the miners' strike and the general strike of May had appeared to create a fresh opportunity for the encouragement of revolutionary Communism: large sums of money contributed by the Russian trade unions for the support of the strikers were therefore permitted by the Soviet Government, in spite of its control upon the export of currency, to be transmitted to Great Britain: but the British Trades Union Congress, fearing to be discredited, refused the sum sent for the support of the general strike, and the sums contributed to the miners merely gave rise to energetic protests from the British Government and increased the prevailing tension. Public opinion, both within and outside of Parliament, became increasingly critical of the supposed advantages to be derived from a continuance of trade relations, and it was pointed out that the balance of trade was increasingly in favour of Russia, while the value of British exports transmitted to that country formed a comparatively insignificant proportion of the national trade. Complaints of Soviet propaganda within the British Empire continued, and in February 1927 a Note, in the nature of a solemn and final warning, was dispatched by the British Government to Moscow, in which charges of subversive activities were made and substantiated. The reception of this ultimatum in Russia was not conciliatory, and in May matters reached a climax in consequence of a police raid on the premises occupied jointly by the Soviet Trade Delegation and the Russian commercial organization known as Arcos Ltd. The formal ground for this action on the part of the police was information that a stolen document of a confidential nature had been conveyed to these premises. No evidence was found to substantiate this, but a quantity of compromising material bearing upon the question of the Soviet's anti-British activities was discovered. As a result of

this the Trade Agreement of 1921 was abrogated, and the Soviet diplomatic staff and Trade Delegation were requested to leave the country. In June the expulsion of Zinoviev and Trotsky from the Central Committee of the Russian Communist Party, a decision finally confirmed in October, and followed in November by their expulsion from the party itself, suggested that efforts to promote world revolution were no longer regarded as an immediate objective by the Soviet authorities.

VIII

THE ISLAMIC WORLD

THE classification suggested by the title of this chapter, which is borrowed from the *Survey of International Affairs*, is adopted purely for reasons of convenience. Outside the main topic with which it will deal—the situation consequent upon the defeat of the Turks in the War and their subsequent recovery—there remain a certain number of events in other countries which cannot readily be treated in any other connexion, and which are not of sufficient importance in themselves to justify a separate chapter in a work of this scale. It is necessary to mention occurrences in Persia, in Afghanistan, in Morocco, and in Libya, the only connexion of which with the main subject to be treated is that they all took place in Mohammedan countries. Egypt, from its technical though insubstantial connexion with the Ottoman Empire, occupies an intermediate position. But it may well be questioned, in relation to the events recorded, how much reality attaches to the concept of an ‘Islamic World’. Would not history have taken very much the same course if the religious creeds in these regions had differed from each other, and even if none of these people had been adherents of the Islamic faith? Islam, in theory, is a universal, potentially world-wide community, both in its political and religious aspects, and was presided over by a Caliph whose functions in relation to both these spheres was one and indivisible. It is true that this political theory of a unitary state was in practice abandoned long ago by Islamic thinkers. But in any Islamic conception there is no place for the modern European ideal of national states. With the progressive ‘Westernization’ of politically-minded Muslims—a phenomenon which was not confined to them—it was the unity of Islam which was defeated in the clash between the incompatible ideals. The history recorded here is essentially that of the triumph of nationalistic aspirations. The ineffectiveness of the Pan-Islamic appeal was brought out, as early as November 1914, when the proclamation



of a *Jihad*, or Holy War, in the name of the Caliph, was generally disregarded. In the British and Russian armies, Muslim troops fought loyally against the Ottoman forces, while in Arabia the Sherif of Mecca, the Amir of Nejd, and other local potentates, cast off their allegiance to Turkey, and embarked in what was to them a war of national liberation against their co-religionists.¹

Abolition of the Caliphate

But the impossibility of reconciling the postulates of Islam on its temporal side with the imported political doctrine of national self-determination was most strikingly exemplified in the events culminating in the virtual abolition of the Ottoman Caliphate on March 3rd, 1924. The matters soon to be described in further detail placed the political sovereignty of the new Turkey in the hands of the Nationalist party, which, on January 28th, 1920, adopted the National Pact, on the basis of which Mustafa Kemal and his followers were destined to achieve the resurrection of Turkey. This covenant was inspired by purely nationalistic conceptions, and, while it recognized the existence of the Caliphate in a passing reference to the importance of Constantinople, it explicitly renounced Turkish claims to 'portions of the Ottoman Empire inhabited by an Arab majority'. The Sultan-Caliph, Mehmed VI, was meanwhile thrown into active opposition to the Nationalists, whose control he feared, and had not only engaged in hostilities with them but, in April 1920, procured a *fatwa* declaring their conduct contrary to religion. The Muslims of India were also destined to play a fateful role. In a country where they were in a minority, they could have no sympathy with nationalism, even though a section of them was inclined to co-operate in agitation against the British *Raj*. They valued the wide pretensions of the Islamic Caliphate as a solace to the minority complex from which they suffered *vis-à-vis* the far more numerous Hindus,

¹ It is not of course denied that there are certain aspects in which the conception of an 'Islamic World' has reality; it is merely questioned whether this unity was an operative factor in the international reactions here described.

and desired so far as possible to maintain or revive its glories. In 1920 a delegation from the Indian Muslims proceeded to Europe to lay their views before the chief Allied Powers, and demanded that the Caliph should be permitted to retain the custody of the Holy Cities, Mecca, Medina, and Jerusalem, and sovereignty over all the dominions pertaining to the Ottoman Empire in 1914. They justified their attitude by the technically valid argument that in Islam the distinction between religious and temporal power was non-existent, and that the temporal power of the Caliphate was therefore of the essence of the office. The pretensions of the Caliphate came, therefore, into conflict with the aims of the Kemalists from two distinct quarters.

On November 1st, 1922, the National Assembly voted a law in which they definitely renounced allegiance to the Constantinople Government; the Sultan-Caliph, Mehmed VI, left his country on November 17th, and on the following day the Assembly elected Abdul Mejid, the son of a former sultan, to the Caliphate in his place. Not only was this choice obnoxious to certain sections of the Islamic community, but the Westernized minds of the Nationalists evidently shared a prevalent European misconception as to the true nature of the Caliph's office. They had regarded it as possible to dissociate its religious functions from temporal authority, and were at once exposed to the charge of apostasy for the attempt to deprive the Caliphate of political power which was no less essential to it in the eyes of orthodox Muslims. The Angora Assembly had no intention whatever of recognizing any sovereignty but their own, and in October 1923 they defined their attitude by an enactment proclaiming Turkey a republic, and by the election of Mustafa Kemal to the Presidency. In March 1924, having meanwhile become painfully aware of the difficulties in the existing situation, through a well-meaning intervention by the Aga Khan and Mr. Ameer Ali, the Assembly finally came down on the side of national independence as opposed to religious orthodoxy, by decreeing the expulsion from Constantinople of their puppet nominee, Abdul Mejid, and withdrawing recognition from the line hitherto holding the Caliphate. This action was followed by

a drastic policy of secularization, which still further emphasized that Islam was no longer a controlling factor in the régime of the new Turkey. The effect of this policy was to leave the rest of the Muslim community free either to regard the Caliphate as in abeyance or to put forward alternative candidates. The Caliphate Congress of 1926 practically decided upon the former alternative.

Problems of reorganization in Asiatic Turkey

The foregoing sketch of the circumstances leading to the abolition of the Caliphate, with its bearing on the preliminary question of the existence of an 'Islamic World' as a factor in international relations, has carried us away from the main theme of this chapter, and to some extent anticipated matters to which we must now return. The settlement of the problems connected with the former Ottoman Empire was complicated by a number of different factors. Overriding all was the circumstance that the Allied and Associated Powers had, in the terms of the fable, partitioned the bear's skin while the animal was still living. No Peace Treaty had been concluded with Turkey at the date when this history begins: the Treaty of Sèvres, the terms of which were settled in April 1920, was torn up by an unexpected resurrection of the Turkish nation, and a final settlement was delayed for three more years. But, even apart from the confusion thus occasioned, the problems to be faced were in any case sufficiently formidable. Part of the difficulty was traceable to the unregenerate days at the beginning of the War, when nations still thought in terms of annexation, and when practically all the participants entertained frequently incompatible hopes, based on a complex of treaties, promises, and understandings, of acquiring a share in the spoil. The Russian revolution, while it had removed one of these competitive interests, had created its own complications by altering the basis on which some of these arrangements rested.

But all this was as nothing compared with the confusion which arose when, in the later stages of the War, the world adopted, at least outwardly, an entirely new principle of

settlement. The races released from Ottoman control added their clamour to that of disappointed annexationists by appeals to the 'blessed word' self-determination, and the compromise which the Peace Conference sought to effect by the institution of mandates was involved in a battle on at least two fronts. If the native races could be entrusted with independent sovereignty in an enlarged Arabia, why not, it was asked, in Syria, Palestine, or Mesopotamia? There was, in fact, good ground for differentiation in the heterogeneous character of the races and creeds included in the mandated areas, though this argument made a more cogent appeal to the European than to the Asiatic mind. But, even if this question could be satisfactorily answered, ought not the appointment of the mandatory to depend upon the free choice of the inhabitants, rather than upon an arbitrary decision of the Supreme Council, which sought thereby to implement as far as possible its previous treaty engagements? Such a question, indeed, was bound to follow from the Anglo-French declaration of November 7th, 1918, which defined the policy of the two Powers towards the peoples emancipated from Turkish control as being 'the establishment of National Governments and administrations deriving their authority from the initiative and free choice of the indigenous populations', expressed the intention of 'encouraging and assisting the establishment of indigenous governments and administrations in Syria and Mesopotamia', and disclaimed the wish 'to impose on the populations of these regions any particular institutions'. Moreover, in Article 22 of the Treaty of Versailles, and of the League Covenant, it was clearly laid down that the wishes of the native communities, not the treaty claims of certain European Powers, were to be the criterion. On the other hand, these claims were still urged, insisted on, and in many instances enforced; and sometimes the distinction in the mind of the Power concerned between its rights and obligations under the new and old arrangements was not very apparent. Before, however, these difficulties could reach their acutest stage, it was necessary to arrive at a definitive settlement with the Power whose territory was the bone of contention.

The Settlement with Turkey

There is at first sight a strange paradox in the fact that of all the Powers allied with Germany in the Great War, the first to recover from defeat, the last to make peace, and the only nation on the beaten side with whom terms were negotiated rather than imposed was Turkey. In spite of the high fighting quality of its soldiers, Turkey, in the estimation of Europe, had been for considerably more than a generation the 'sick man', whose survival was only due to the agreement of the European Great Powers that he must not be too roughly handled, or rather to their mutual jealousies. The Turkish collapse, moreover, appeared to have taken place at an earlier date than that of any of the nations on the same side, with the possible exception of Bulgaria, whose signature of an armistice coincided with the decisive victory of Allenby in Palestine. The armistice with Turkey was signed at Mudros on October 30th, and thus preceded by some days the cessation of hostilities with Germany and Austria-Hungary. If any one had predicted, in November 1918, that definitive terms of peace with this apparently moribund Power would not be concluded until after a lapse of nearly five years, it is safe to say that his prophecy would have been received with amused incredulity.

Yet so it turned out. How did it happen? There was a multiplicity of causes, and it is probable that no one of these in isolation could have produced so surprising a result. It is historically as well as dramatically justifiable to make the whole issue hang on so accidental a circumstance as the bite of a monkey which killed King Alexander of Greece in October 1920.¹ This may well have been a *causa sine qua non*, though far from being a *causa causans*. There is also truth in the suggestion that the delay occasioned by President Wilson's determination to ascertain the wishes of the inhabitants by means of a Commission on the spot afforded a fatal opportunity to the forces of disorder to gather strength. The phenomenon has also been attributed, by Professor Toynbee,

¹ Cf. Churchill (W. S.), *The World Crisis*, vol. v, p. 386: 'It is perhaps no exaggeration to remark that a quarter of a million persons died of this monkey's

in a letter to the writer, to the fact that 'primitive organisms do not suffer so badly from shock as more complicated ones. . . . It was no accident that, of all the defeated Powers, Turkey and Russia, which collapsed most ignominiously during the War, were also each able to fight a war-after-the-war almost immediately. A low organism is incompetent, but you cannot stun it or kill it as easily as a higher one.' With due respect to such an authority, I doubt myself whether this argument can fairly be applied to the Turkish organism. But the fundamental reason was the increasing weakness of the forces behind the Allied demands, due partly to demobilization and war-weariness, and partly to the jealousy and dissension which grew among the Allies themselves. The chief ground for such dissension lay in the varied and scarcely reconcilable commitments with regard to the partition of Turkish territory into which the Allies had been driven by the necessity for purchasing the support of additional auxiliaries.^b

First of these in point of time was the bribe offered for Italian co-operation by the Secret Treaty of London of April 1915. By this, in addition to the compensation at the expense of Austria-Hungary which created difficulties in the application of pure Wilsonian doctrine to the Treaty of St. Germain, Italy was promised, in regrettably vague language, 'a just share of the Mediterranean region adjacent to the province of Adalia'. Her disappointment in the realization of her anticipated claims in Europe was not likely to render more modest the Italian interpretation of this elastic phraseology. But from an even earlier stage, Great Britain had been dangling the bait of an independent Arab Empire before the eyes of the Emir Huscin, Sherif of Mecca, and though the sweeping claims which this ruler's ambition dictated could not be accepted without important reservations, it was necessary that these reservations should not be so emphasized or defined as to obscure the lustre or risk the effectiveness of what was promised. Here, too, therefore, there was a certain vagueness.¹

In these circumstances, while deeming it politic to associate herself with the inducements held out to the Arabs, France

¹ The late Dr. Hogarth, *History of the Peace Conference*, vol. vi, p. 121, says: 'the wording [of our pledge] justified Hussein's interpretation.'

felt the need for some more precise definition of her own share of the prospective spoils, a claim to which had been generally reserved as early as March 18th, 1915, in the 'Constantinople Agreement' between Great Britain, France, and Russia. Her desire was gratified by the Sykes-Picot Agreement concluded, behind the backs of Italy and of Mecca, between France, Russia, and Great Britain in May 1916. This agreement is of importance, since it became the basis, with certain minor adjustments, of the settlement proposed by the abortive Treaty of Sèvres.

A further attempt was made to define the Italian share in Asia Minor, at St. Jean de Maurienne in 1917, but, owing probably to Russian objections, this arrangement never attained a fully recognized validity.

At the Peace Conference a new claimant to territorial acquisitions in Asia Minor turned up, in the shape of M. Venizelos, under whose inspiration Greece had abandoned neutrality and performed conspicuous services for the Allies in the closing phase of the War. It is right to say 'M. Venizelos' rather than Greece, since it was only that part of the Greek population which supported the Cretan statesman which had earned the gratitude of the Entente: the bias of the ex-King Constantine and his partisans had been definitely on the side of the Central Powers. Venizelos's claim on behalf of his country to the Smyrna area was resisted by the Americans on grounds of principle, and bitterly opposed by the Italians, who alleged that the territory in question had already been ear-marked, in whole or in part, for them under the Treaty of London, and/or the agreement of St. Jean de Maurienne. It received, however, the support of Great Britain and France, and unfortunately at this juncture the Italian delegation temporarily retired, in umbrage, from the Conference. During the interval before they returned, the Italians began to extend the military occupation which they had already begun in Adalia, north-westwards in the direction of Smyrna. A resort to the pressure of a *fait accompli* appeared to be in contemplation, and the French and British were thus enabled to persuade Mr. Wilson to consent to steps to forestall it.

The Mudros armistice permitted the Allies to occupy strategic points in Turkish territory in the event of a situation arising which threatened their security. Under cover of the guns of Allied warships, a Greek force was landed in Smyrna on May 14th, 1919. We need not reopen the bitter controversy raised by reciprocal charges of atrocities brought by Turkey against Greece and vice versa, since the disastrous policy of entrusting the maintenance of order among Turks to their traditional enemy and former vassal was inevitably calculated to fan the flames of Nationalist indignation, while the resentment of a tricked and disappointed Italy would just as certainly have followed in any event. For the real motive of the step was too transparent for either the Turks or the Italians to be deceived.

Immediately after landing, the Greek force became involved in a bloody conflict with the inhabitants, which was followed in a few days by an advance for some distance into the interior. Though the military situation now remained unchanged for some time, the forces which were to wreck the schemes of the Allies were already in motion. Turkish Nationalism had found its Man of Destiny. As early as June 9th Mustafa Kemal began his agitation in Anatolia. Before the end of the year the control of affairs beyond the Bosphorus had passed, *de facto*, from the Constantinople Government, and the British General Staff had warned the Cabinet that 'the acquisition by Greece of any portion of the Pontus', or her 'permanent occupation of any part of the Aidin vilayet' (of which Smyrna was the capital), were among the measures which could not be pursued without greater military resources than the Allies seemed to have readily at their disposal.¹ Before this, in October, the illness of President Wilson and the first rejection of the German Treaty in the United States Senate foreboded the imminent withdrawal of support from the Greeks by one of the nations on whose authority they were acting.

In January 1920 revolt was spreading to Constantinople itself. On the 28th the Nationalists in the new Chamber of Deputies adopted the 'National Pact', soon to be the basis of

¹ Churchill, *The World Crisis*, vol. v, p. 371.

the Kemalist programme. In March the Allies were forced to occupy Constantinople, and eject the Kemalists, though in February the final decision had been announced that the city was to be left by the Treaty in Turkish hands.¹ By the end of April the full terms of the Treaty of Sèvres were settled, and in May they were announced.

We are for the moment concerned with its provisions purely from the Turkish point of view, and need not go into arrangements made between the Allies with regard to the ceded territory. By the Treaty of Sèvres, then, Turkey was to lose Arabia, Palestine, Syria, and Mesopotamia, including in the two latter the length of the Baghdad railway east of the Gulf of Iskanderun. She renounced all rights in Africa and the Mediterranean islands; Armenia, with a frontier to be decided by the President of the United States, was to be free and independent; and autonomy was to be granted to Kurdistan. Then came the bitterest drop of all. Smyrna and its hinterland were to be left under Greek administration for five years, after which their fate should be decided by a plebiscite.

Though the Treaty was not finally signed until August 10th, its terms, as has been said, were made known in May. In June, Kemalist forces attacked the British positions on the Ismid Peninsula. It was not a serious engagement, and the Turks were quickly induced to retire out of range, but it was a threat with unpleasant possibilities. France, meanwhile, under circumstances later to be described, had her hands pretty full in Syria. The two Allies, with some misgivings, thereupon accepted an offer from M. Venizelos to send a Greek force to cope with the situation. The Greek advance began at once, and was at first unexpectedly successful. The Kemalist forces were driven back, the Treaty of Sèvres was signed in Constantinople (August 10th, 1920), and for the moment the outlook seemed promising. But the war went on.

In October the fateful monkey bit the young King, Alexander, and his death from the effects brought about a general

¹ The occupation of Constantinople could be justified under the terms of the Armistice. A number of prominent Turkish Nationalists were, however, arrested in their private houses and conveyed by British warships to Malta. It is difficult to contend that this action was covered by the Armistice provisions, and it certainly had important reactions upon Turkish national feelings.

election in Greece. Venizelos was defeated, and resigned, and the ex-King, Constantine, returned. Greece thereby forfeited all claims to Allied consideration, and was left friendless, except for the personal sympathy and trust of Mr. Lloyd George. Though for a considerable time the Greek troops continued to progress, and even reached within some forty miles of Angora by the end of the following August (1921), the Italians had begun to withdraw from Asia in April 1921. In September 1921 the tide turned, with the defeat of the Greeks at Sakaria River. All attempts by the Allies to mediate between the belligerents failed, and in October M. Franklin-Bouillon, on behalf of France, secretly negotiated a separate peace with the Angora Government.

The announcement of this agreement called forth a vigorous protest from Lord Curzon. Not only had France, in consideration of valuable commercial concessions, withdrawn from Cilicia and made peace with the Turks, but she had surrendered ground allotted to Syria under the Treaty of Sèvres, and brought the greater part of the railway line, running through the north of the mandated area, within the Turkish frontier. But the mischief was done, and Great Britain had to be content with a French admission that the territorial clauses of this agreement, as of the others, were subject to adjustment in the final settlement with Turkey.

The position of the Greek army was now desperate. Of the Powers at whose invitation it had entered Anatolia, the United States had retired, France had not only made peace but, in Mr. Winston Churchill's words, 'was now ardently backing and re-arming the Turks',¹ and Great Britain, almost completely demobilized, was in no position, even if she so desired, to render effective assistance. Italy, with no reason from the first to favour the Greek adventure, had, as we have seen, withdrawn almost entirely, and in April 1922 had followed the French example by concluding, for commercial advantage, an agreement with the enemy. Only the neutral zone protecting the Straits remained in Allied occupation. The end was at hand. In the last days of August 1922 the Greek army was in precipitate retreat towards the coast, and

¹ Churchill: *The World Crisis*, vol. v, p. 413.

at the beginning of September 1922 the victorious Kemalists entered Smyrna.

The danger was now no longer addressed to the ill-fated and abandoned soldiers of Greece; there was a pressing risk that the weakness and lack of cohesion of the Supreme Council would be exposed with incalculable results. If Kemal and his army, swollen with triumph, were to obtain a footing in Europe, it was hardly too much to say that the whole settlement achieved by the blood and sacrifice of the Great War might be endangered.¹

Between Europe and such a catastrophe stood but a few battalions of the Allied forces, guarding the approaches to the Straits at Chanak and across the Ismid Peninsula. They were supported by the guns of the British Mediterranean fleet, stationed in the Sea of Marmora; but they were sorely in need of reinforcement. At this critical juncture, the unhappy dissensions of the Allies produced their most deplorable results. The French and Italian Governments issued orders for the withdrawal of their forces, and on September 21st, 1922, these troops evacuated Asia. It must be remembered to the everlasting credit of Mr. Lloyd George that in this apparently desperate isolation he stood firm. He had already issued an appeal to the British Dominions for support, in circumstances of haste which poignantly illustrated the necessity for improved machinery in the Commonwealth for the co-operation in foreign policy which is essential. Nevertheless, the Dominions, though protesting, responded to the call. Before, however, their assistance could be forthcoming, the bold stand of the British had achieved its purpose. Mustafa Kemal was fortunately not only a successful military leader, but a man great and wise enough not to push his advantage to extremes. He agreed to a Conference with the Allies which assembled on October 3rd at Mudania. Once more the attitude of the French and Italians was unhelpful,

¹ Such was the apparent position, though it must be remembered that the Turkish war aims were, in fact, strictly limited under the National Pact. But 'l'appétit vient en mangeant', and it is possible that such overwhelming success would have increased Mustafa Kemal's demands. In any case, the blow to the moral authority of the Supreme Council in Europe would, it seems to me, have been extremely serious.

and the armistice agreed upon on October 11th was due exclusively to British firmness, in contact with Kemal's statesmanship. But the crisis was ended, and the way at last cleared for the final settlement, which was embodied in the Treaty of Lausanne (August 23rd, 1923).

Having regard to the circumstances, the losses to which the Allies submitted in this Treaty were remarkably few and small. The Turks had made up their minds to renounce the Arab provinces, and they stuck to their decision. British and French interests were probably most seriously affected by the abolition of the Capitulations, upon which the Turks firmly insisted. The main loss fell upon Greece, who was, throughout, the catspaw of the Allies. Turkey, of course, recovered Smyrna, and in Europe her territory was extended to include eastern Thrace, with Adrianople and Karagach. Of the islands, she retained Imbros, Tenedos, and the Rabbit Islands near the entrance to the Dardanelles. But two zones were demilitarized, one on the Thracian frontier, and the other in the area of the Straits. The Anatolian frontier remained as defined in the Franklin-Bouillon agreement. All things considered, a contributor to the *History of the Peace Conference of Paris*¹ is probably justified in predicting that the Treaty inaugurated a more lasting settlement than any other which followed the War. It was not imposed but negotiated, and in that fact lie hopeful prospects for its permanence.

Mosul and Iraq

By the Treaty of Lausanne the declared aims of the Angora Turks were achieved, with one exception. The claim of the National Pact to territories inhabited by the non-Arab Muslim majorities logically extended to the vilayet of Mosul, in a large part of which the Kurdish element was predominant. Hence, as a matter of sentiment and prestige, the Turks were unwilling to assent to leaving the northern boundary of Mesopotamia at the line laid down in the Treaty of Sèvres. This sentimental objection was reinforced by the practical consideration that the Kemalist policy of absorbing and 'Turkifying' the Kurds was likely to be hampered if a large

¹ Vol. vi, p. 115.

Kurdish element, enjoying a greater degree of freedom and autonomy, was established immediately outside the Turkish frontier. For these reasons, the Turks held out, at Lausanne, against the incorporation of the Mosul vilayet in the new territory of Iraq, for which a mandate had been provisionally allocated to Great Britain by a decision of the Supreme Council in May 1920. At Lord Curzon's suggestion, the Treaty laid down that the question should be referred to the League of Nations, in the event of no agreed solution having been found within a period of nine months. In August 1924, therefore, the matter came before the Council of the League, which appointed a strictly neutral commission of inquiry to investigate the problem on the spot. In October, in consequence of complaints by both parties of attempts to encroach on the line representing the *status quo*, an extraordinary session of the League of Nations Council was held in Brussels, which laid down a provisional frontier, thereafter known as 'the Brussels Line', which approximately corresponded to the northern boundary of the former vilayet.

While the question was still undetermined, the Turks prejudiced their position in the eyes of the League by the repressive measures which they adopted in consequence of a Kurdish revolt in 1925, towards non-Turkish minorities, especially the Chaldean Christians living immediately to the north of the 'Brussels Line'. Iraq was flooded with refugees, and the atrocities perpetrated by the Turks were incontestably established by the neutral report of a League representative, the Estonian General Laidoner. The award of the League consequently adhered substantially to the 'Brussels Line', and thereby included in Iraq practically the whole of the Mosul vilayet. The question was finally settled, though after some delay and not without considerable hesitation on the part of the Turks, by the signature, in June 1926, of a tripartite Treaty between Turkey, Iraq, and Great Britain, which adopted the frontier thus determined.

But the settlement of the status and frontiers of Iraq was complicated by other factors besides the recalcitrance of the Angora Government. The most formidable of these was the attitude of the inhabitants to the proposed mandate, but there

were also difficulties resulting from the claims of other Western Powers to interests in the territory. By the Sykes-Picot agreement, Mosul had been allotted to France, but this arrangement had been founded on the fact that Russia also contemplated territorial acquisitions in Asia Minor, since it was therefore considered advisable to interpose a third Power, as a buffer, between the Russian zone and the British. With the Russian revolution the reason for such a policy disappeared; this was recognized by France as well as by Great Britain, and the transference of Mosul to the British zone consequently met with no serious objection; in fact, as early as the beginning of 1919, this modification had been accepted by M. Clemenceau. But a further complication was introduced by the desire of other Powers for a share in the oil resources of the district, though the importance of this factor has often been exaggerated. The British Government consistently repudiated any intention of establishing a monopoly over the oil of Iraq, and indeed rejected, in 1925, an offer from the Angora Government of a concession to a British company of all the oil in exchange for the return of the Mosul vilayet to Turkey. The only rights which we claimed to the oil of Iraq were dependent on a concession granted by the Turks before the War to a British company—the Turkish Petroleum Company. In this the Deutsche Bank had held 25 per cent. of the shares, and the claims of France were satisfied by the transfer, under the San Remo agreement of April 1920, of this German interest to a French group. The United States, however, objected to the condition in the San Remo agreement that the Turkish Petroleum Company should be under permanent British control, and delayed the completion of the mandate for Mesopotamia by contending that equality of treatment for all nations, whether members of the League or not, was an essential principle of the mandatory system. Their objections were, however, ultimately removed by the offer of shares in the Company to the Standard Oil and other American interests.

Meanwhile, the mandate had been repudiated by the natives of Mesopotamia themselves. The assignment of the mandate to Great Britain had hardly been announced when

a serious rising broke out in Iraq. As a writer in the *History of the Peace Conference of Paris*¹ puts it, 'new American wine was fermenting in old Arabian bottles', and the inhabitants were indulging in premature hopes of complete national independence. As a conciliatory step, the British Government procured the election of Feisal, son of the King of the Hijaz, to the throne of Iraq (August 1921), and shortly afterwards concluded a treaty with him which sought to retain the control envisaged by the mandate, while abandoning its form. To the League the Treaty was represented as the machinery by which the duties pertaining to the still inchoate mandate could be performed, while to the Iraqis it was given, as far as possible, the appearance of a title deed to independent sovereignty.

The Mandate for Palestine

As has been hinted earlier in this chapter, the mandates allotted in respect of Iraq, Palestine, and Syria could only be justified as a practical compromise designed to satisfy a number of conflicting claims, and partially to reconcile the main principles adopted at the close of the War with undertakings made at an earlier stage. They were hardly consistent with the language of the Anglo-French declaration of November 1918, and it is impossible seriously to contend that they obeyed the conditions of Article 22 of the League Covenant. No candid person can admit that 'the wishes of these communities' (formerly belonging to the Turkish Empire) were in fact 'a principal consideration in the selection of the mandatory'. The origin of the choice imposed by the Supreme Council is in each case clearly to be found in the secret treaties concluded in the early stages of the War, and, in particular, in the Sykes-Picot agreement of May 1916. That agreement conceded to France her foothold in Syria, and gave to Great Britain Baghdad and southern Mesopotamia; moreover, while it vaguely suggested some form of international régime in the Holy Land, it recognized the special interests of Great Britain in that region by reserving to her the ports of Haifa and Akka (Acre). It is possible to argue, in spite of the Mesopotamian revolt of 1920, that, if

¹ Vol. vi, p. 184.

compelled to accept any tutelage at all, the choice of the Iraqis would have fallen upon Great Britain; the same may be said of Palestine; but the inhabitants were not, in fact, consulted. With regard to the allocation of the Syrian mandate to France, there is good reason to believe that the Power chosen was peculiarly unacceptable to the majority.¹ There was, perhaps, no alternative mandatory available, for the United States had withdrawn to her own continent, and Great Britain, through Mr. Lloyd George, had expressly declined the responsibility in advance. Since, however, the reason given for this refusal was the suspicion and odium which the acceptance of the mandate by this country would create in France, the case is not materially altered.

In Palestine, however, it was not primarily the fact that the territory was subjected to external control, nor any antipathy to Great Britain as the mandatory, which were the real sources of trouble. Though the King of the Hijaz seems to have interpreted British promises as including Palestine within the confines of the Arab Empire, such a solution would have been no more consistent with self-determination than that actually adopted; moreover, some special régime for the impartial safeguarding of the different religious interests in this territory had in fact been contemplated at least as early as 1916, and the inhabitants, recognizing England's reputation for fair play, would probably have been more content to see such a régime administered by her than by any other European Power or combination. The factor which gave rise to discontent was the British pledge to the Zionists.

This pledge, as expressed by Mr. (afterwards Lord) Balfour in the House of Commons on November 2nd, 1917, was in the following terms:

'His Majesty's Government views with favour the establishment in Palestine of a national home for the Jewish people, and will use its best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish

¹ Though, so far as the mandate was originally intended to apply directly to the coastal zone only, a certain justification might be found in the undoubted preference of the Lebanese Maronites for France.

communities in Palestine or the rights and political status enjoyed by Jews in any other country.'

The motives behind the adoption of this policy, though including, no doubt, an element of disinterested idealism, were to a great extent definitely strategic. It was in the first place advantageous to cover the approaches to the Suez Canal by a territory favourable to British interests. But the immediate object was to enlist on the side of the Allies the sympathies of Jewry, which, being naturally anti-Russian, tended by reason of our alliance with that country to gravitate to the side of the Central Powers, who were also making bids for its support. In particular, in 1917, it was desirable to check the pro-German activities of the Russian Jews, who were already believed to have done much to bring about the disintegration of the Tsarist power.

If these were the objects of the policy, it may be doubted whether they were completely achieved. The situation in Russia was certainly not improved, and, throughout the world, a considerable section of influential Jewish opinion has always been hostile to Zionism. On the other hand, Arab and Syrian sympathies were alienated from the outset, the latter by the subdivision of the boundaries of Syria, and the former by fears, based largely upon a misunderstanding of the terms of the pledge, that Arab interests would be subordinated to Jewish, and the balance of the population gravely disturbed by Jewish immigration. The policy was certainly in direct opposition to the wishes of the indigenous majority, about 90 per cent. of the inhabitants being, at the time, of non-Jewish origin. It probably can never be maintained without the permanent continuance of mandatory control. Time alone can show whether the two main obligations of the mandate, the establishment of a Jewish national home and the development of self-government, are in fact compatible.

The idealistic or sentimental side of the policy, shared in common by its Jewish and Christian promoters, must engage the sympathy of every one who has been impressed by the poetic prophecies of a return to Zion which adorn the Old Testament. But it seems an ideal at best only capable of partial achievement, and, having regard to the difficulties to

which even this partial realization gives rise, this may well be considered a conspicuous example of the dangers of introducing excessive idealism into a peace settlement.

Having regard to these difficulties, the British administration of the mandate must be acknowledged to have been comparatively successful. From the point of view of the industrial and agricultural development of the country, Zionist colonization, though carefully restricted in numbers, can claim a remarkable measure of achievement. If the choice of Sir Herbert Samuel as the first High Commissioner was expected in any quarter to result in any undue favouring of the Jews, the expectation was certainly belied by his strictly impartial administration, and though the announcement of the mandate in April 1920 was immediately followed by anti-Jewish riots in Jerusalem, and there were other disturbances in 1921 and, outside Palestine, on the occasion of Lord Balfour's visit in 1925, Sir Herbert's tenure of office was sufficiently peaceful to admit of the reduction of the British garrison, by 1925, to insignificant proportions. The conciliatory intentions of the Government towards the Arabs were demonstrated by the grant, in 1923, of autonomy to Transjordan under the sovereignty of Huscin's son, Abdullah. On the other hand, in Palestine itself, as later events were to prove, the irreconcilable antagonisms of Arab and Jew remained a permanent source of anxiety, the non-co-operative policy pursued by the Arabs rendered the creation of the Legislative Council, originally contemplated, impossible, and it was necessary to continue semi-autocratic control. In the circumstances, however, the measure of peaceful progress achieved was highly creditable to the British Administration.

The Syrian Mandate

Very different was the progress of events in the neighbouring territory entrusted to France. French rule bore too close a resemblance to that annexation for which it was a substitute, and the limits of the mandate, as originally contemplated, were in fact soon extended by a process of military conquest.

At the outset, indeed, considerable efforts were made by Great Britain to restrict the French trusteeship to the coastal

territory which alone had been allocated to France by the Sykes-Picot agreement. This compact had envisaged, between the French and British territories, a confederation of Arab states or one independent Arab state, which would have included the towns of Damascus, Homs, Hama, and Aleppo. Of this region the Emir Feisal, Britain's faithful ally, was in actual occupation at the time of the Armistice. On October 3rd, 1918, Feisal had galloped into Damascus at the head of his troops, and had there hoisted the Arab flag, with the authority of General Allenby and the British Government. He had immediately announced the formation of an independent government, and had done much by a conciliatory policy to consolidate his position. At a meeting of the Supreme Council held on March 20th, 1919, Mr. Lloyd George expressly contended that to admit a French claim to Damascus, Homs, Hama, and Aleppo would be a breach of faith with the Arabs. This position, so far as words went, was consistently maintained. When, in September 1919, it was agreed that the British garrison should be withdrawn from Syria, it was stipulated that in the area reserved for the Arabs by the Sykes-Picot agreement Arab troops and not French should take its place.

Feisal, however, had good reason to doubt whether, in the absence of his British friends, the French would long acquiesce in the situation. In March 1920 he took the false step of accepting the crown of Syria and Palestine, an action necessarily repudiated not only by France but also by Great Britain, the prospective mandatory for the Holy Land. At the Conference of San Remo, on April 24th, the Supreme Council definitely assigned the mandates for Syria, Palestine, and Iraq, the first to France, the two latter to Great Britain. The announcement of these decisions caused sufficient unrest in Syria to favour the French design. On July 14th General Gouraud, the French High Commissioner, dispatched an ultimatum to Feisal, which, though its requirements were wholly incompatible with any approach to Arab sovereignty, was immediately accepted. The inevitable disorders, however, broke out; a French outpost was attacked by some Arab horsemen; and the French seized the opportunity to launch

a general offensive and to drive Feisal out of the country. Their action was of course not approved in Great Britain. Mr. Bonar Law had to explain to a critical House of Commons that he was officially assured that the occupation of the disputed territory by the French would be only temporary. It has, however, continued ever since. The future situation was destined to be regulated, once again, by an act of violence and a *fait accompli*.

It would, of course, be unjust to condemn the action or inaction of the British Government in these difficult circumstances. They did what they could to compensate Feisal, by promoting his election to the throne of Iraq, and they recognized his brother, Abdullah, as ruler in Transjordan, though this step was partly directed to dissuading him from a threatened attack upon the French in Syria. But the methods by which the French attained their object inevitably suggest that, in the post-War as in the pre-War world, the possession of preponderant military power is an asset, and that equal justice for small and great is still only to be found in an unrealized Utopia.

The French administration of the territory over which their mandate now extended was not calculated to allay the disaffection which their presence was in any case likely to arouse. The administrative staff was generally inexperienced and for the most part ignorant of Arabic, while those officials who did not suffer from these defects were military officers from the African colonies and protectorates, whose methods tended to be autocratic. Behind a façade of native self-government set up by the appointment of docile nominees of the mandatory Power, France exercised an all-pervasive legislative and administrative control. A régime of martial law, characterized by frequent deportations, continued to be enforced. It was natural, perhaps, that the Lebanese Christians, who had long enjoyed French protection and constituted the element of the population most friendly to the mandate, should be specially favoured, but the extension, in September 1920, of the Lebanon territory to include a large accretion of non-Christian inhabitants complicated the problems of self-government while arousing unrest through the

suspicion of favouritism which it created. Elsewhere, French policy suffered from vacillation and lack of continuity. The whole mandate was first subdivided into five separate states—Greater Lebanon, the territory of the Alouites or Alawiyyin, Aleppo, Damascus, and the Jebel ed Druse. This step was in itself open to criticism, as being based rather on the maxim *divide et impera* than on an intention to facilitate that co-operation upon which progress towards complete autonomy depended. An attempt was, however, almost immediately made to reverse this policy, by decreeing the federation of three of the five units. But this was thwarted by the particularist agitation which the original subdivision had promoted, though the states of Aleppo and Damascus were fused into a single unit. The uncertainty which these repeated and rapid changes of policy produced was subsequently held, by the Mandates Commission, to have materially conduced to the trouble which ensued. Other points which aroused complaint were the excessive encouragement of the French language in schools and law courts, and the substitution of a note issue, based on the rapidly depreciating French franc, for the stable Syrian currency which had previously existed. Matters, however, did not reach a critical stage until after the recall of the just and popular High Commissioner, General Weygand, in November 1924, and the arrival of his successor, General Sarrail, in 1925. Further developments may therefore be deferred to a later chapter.

Events in Arabia

In Arabia, until 1914, the interests of Great Britain had been mainly confined to Aden and the coast of the Persian Gulf, but the possibility of Turkish intervention on the side of the Central Powers at once gave rise to negotiations with the principal Arabian rulers. Persuasion, based upon financial subsidies, was brought to bear by both sides, with the result that the Turks retained the support of Ibn Rashid of Jebel Shammar in central Arabia, and the Imam of Sana in the neighbourhood of the Aden protectorate. England was more successful. She was already in treaty relations with the coastal chiefs of the Persian Gulf, and these she maintained.

The Sheik of Kuwait, at the head of the Gulf, was induced, in November 1914, to co-operate in the capture of Basra in return for the recognition of his territory as an independent principality under British protection. The Idrisi Sayyid of Sabya was brought into nominal if not active alliance by a subsidy and a similar guarantee of independence in the following year. Of far greater importance, however, were the relations established with the Wahhabi chief, Ibn Saud of Riyadh, and the Emir Husein, who, as ruler of the Hijaz, controlled the Holy Cities of Islam.

Wahhabism was a militant puritanical movement in Islam which, in the early years of the nineteenth century, had established a dominant influence in the peninsula. Acting as its agent, the house of Saud had, by 1806, captured Mecca and Medina, and thus become the masters of most of Arabia. It was then overthrown by the Egyptian Pasha, Mehemet Ali, and reduced to impotence till, in 1901, it recovered Riyadh from the rival house of Al Rashid, a gain which was consolidated by further territorial acquisitions up to the date of the Great War, when its authority extended to the shore of the Persian Gulf. Ibn Saud had thus recovered an influence sufficiently important to attract the notice of the Government of India, within whose sphere fell the negotiations dealing with the eastern side of the peninsula. As he had been engaged in hostilities with the Turks as recently as 1913, and his hereditary enemy, Ibn Rashid, had adhered to the opposite side, the prospects of enlisting his help in the British cause were hopeful from the first, and in December 1915 a treaty was concluded with him engaging his assistance, or at least his neutrality, in return for a subsidy of £5,000 a month, and the recognition of his hereditary right to his existing possessions. During the War, Ibn Saud did little more than hold in check the activities of his rival, Ibn Rashid, but his services, such as they were, were no doubt fully worth the comparatively slight expenditure in which they involved Great Britain.

Meanwhile, the British Foreign Office had arrived at an understanding, less precise in its terms, but of far greater immediate assistance, with the Emir Husein of the Hijaz. The course which British interests led the Government to

encourage Husein to pursue was independently prompted by his own ambition. Negotiations had begun in 1914, and elicited, immediately after Turkey's entry into the War, a promise that the enemies of the Allies would not, in any event, be assisted. In August 1915 a letter from Husein disclosed the grandiose scope of his dreams of empire. He aimed at an independent Arab state extending from the Mediterranean to the Persian border as far north as the 37th parallel of latitude, thus including, outside the borders of Arabia, nearly the whole of Syria, as well as Palestine and Mesopotamia. The scale of his requirements placed the British authorities, already cognizant of rival claims in much of this area, in a difficult predicament, and it was fortunate that the Emir's own precipitancy dispensed with the necessity for a strict formulation of the limits of British concession. Without waiting for the conclusion of a treaty, Husein launched his revolt against the Turks in May 1916.

It does not fall within the province of this history to describe the ensuing campaign. As is well known, to the end of the War, Arab and British troops co-operated closely in the Turkish field of operations, and while Husein and his son Feisal were freely supplied with arms and munitions, as well as with a financial subsidy amounting to some £2,400,000 a year, the services which they rendered left them, whatever interpretation might be put on promises actually made, with substantial claims on British gratitude. Some of the complications arising out of our pledges to the Arabs are considered elsewhere. We are here concerned with the Emir's relations with his Arabian neighbours, and the fate which ultimately overtook him.

The first false step taken by the Emir Husein was to cause himself to be proclaimed 'King of the Arabs' by the notables of Mecca in October 1916. His pretensions could not be accepted by Great Britain, which, as we have seen, had guaranteed the independence of a number of other Arab protégés, and the European Allies would only recognize his title to be styled 'King of the Hijaz'. His claim was especially provocative to the rising power of the Wahhabis, and though Ibn Saud was for the moment restrained from open hostility by the fact that both he and his rival were in the pay of the

same European Power, he began by systematic proselytization to wean some of the minor tribal leaders from their allegiance to the Hijaz. In 1917 he won over the chief of the oasis of Khurmah, a defection which led Husein injudiciously to attempt the occupation of the oasis in the following year. Strained relations followed, which culminated, in May 1919, in the battle of Turabah, in which the forces of Ibn Saud victoriously encountered those of the King of the Hijaz. A humorous element was introduced into this episode by the fact that each belligerent was in receipt of arms and money from a different British department: the Foreign Office and the India Office might be considered as being at war, and the theoretical possibilities of this situation are of a kind to which only a Gilbert and Sullivan opera could do justice. Intermittent hostilities continued, though Ibn Saud was for the time being deterred from pursuing his advantage to extremes, partly by fear of losing his British subsidy, and partly because he had not yet finally settled accounts with his hereditary antagonist, Ibn Rashid. In November 1921, however, he decisively defeated this enemy, and annexed his territory, and, in March 1924, the second reason for delay was removed by the termination of his subsidy.

Meanwhile, Husein had carried his intransigence still further, to the point of alienating all possible allies. The disappointment of his hopes by the creation of the Syrian and Palestinian mandates led him to refuse to ratify the Treaty of Versailles, or to enter into treaty relationship with Great Britain. He also offended Egypt by his attitude in disputes which arose in connexion with the Mecca pilgrimage. In March 1924, just when his rival's hands were free, he filled up the cup by assuming the title of Caliph, which had become vacant on the abolition of the Ottoman Caliphate by the Angora Government. This injudicious step, which Husein seems to have taken with considerable reluctance, gained for Ibn Saud the open encouragement of the Indian Muslims of the Khilāfat Committee, and, in August 1924, he started to deal conclusively with his rival.

The ensuing campaign rapidly completed the ruin of Husein. After a vain appeal for British support, he abdicated

in October 1924, and was temporarily succeeded by his son, Ali. But this change brought no improvement; on the 13th of the month the Wahhabis occupied Mecca, and for the next fourteen months the new King was closely invested in the port of Jidda. On December 22nd, 1925, Ali abandoned hope and left the country, and on Christmas Day the war was declared at an end. In January 1926 the *de facto* situation was regularized by the vote of the Mecca notables, who conferred the vacant Kingship of the Hijaz upon Ibn Saud, who had thus regained the commanding position in Arabia which his house had held at the beginning of the nineteenth century.

His difficulties, however, were by no means at an end. In spite of their claims to primitive orthodoxy, the Wahhabis were not a sect whose occupation of their holy places the rest of the Muslim world could view with complete equanimity. A report, apparently greatly exaggerated, that the tomb of the Prophet in Medina had been damaged by Ibn Saud's bombardment, in the course of his military operations, raised a storm which was not calmed without some trouble, and the obstacles which the campaign in the Hijaz had placed in the way of the annual pilgrimage had not strengthened the position of the conqueror. His attempts to conciliate religious opinion by convening an Islamic Congress in Mecca met at first with disappointing rebuffs, and when at length it was opened, in June 1926, it was at first but sparsely attended by official delegates, and some of the questions raised proved extremely delicate. The pilgrimage of that year also occasioned some unfortunate collisions between the Wahhabis and the Egyptians, and the efforts of those Muslims who were working for Islamic solidarity continued to be somewhat embarrassed.

Difficulties of a political nature were also created by Ibn Saud's accession to power. The successive conquests of the Jebel Shammar and the Hijaz had brought the Wahhabi power into continuous contact with Transjordan and Iraq, both of which territories were ruled, under the auspices of Great Britain, by the sons of Husein. It would in any case have been difficult for Ibn Saud to restrain the raiding propensities of the border tribes. The subdivision of the Turkish

dominions had in fact both stimulated and facilitated such activities, for the new international frontiers ignored the facts of economic geography, and interposed obstacles to the customary migrations of the nomads, while the lawless could easily evade control by crossing the dividing lines between different jurisdictions. It was, however, particularly necessary that order should be preserved in the country lying to the north of Ibn Saud's dominions, since it was rapidly becoming an important motor-route connecting Baghdad and Persia with the Mediterranean. Serious raids continued to occur, and during Ibn Saud's attack on the Hijaz he had deliberately created diversions against the territory of both his neighbours, which had called for the stern interference of British aeroplanes and armoured cars. He appeared, indeed, at this time, to be contemplating the extension of his frontier as far north as the Syrian border, thus seriously threatening the communications between Palestine and Mesopotamia. Eventually, however, matters were arranged by the conclusion of two agreements, in November 1925, defining the frontiers with Iraq and Transjordan respectively, laying down rules for the control of the border tribes, and setting up mixed tribunals to deal with cases of infringement. The situation was thus safeguarded so far as the signature of documents could achieve that object.

Egypt

The position of Egypt, both in relation to Turkey and Great Britain, differed widely from that of any of the regions which have so far been considered. The theoretical suzerainty of the Sultan had continued to exist up to the date of Turkey's intervention in the Great War, but it had ceased to be a factor of practical importance from the days when Mehemet Ali acquired the hereditary title to the pashalik in 1841. From that date until the intervention of Great Britain in 1882, the country had enjoyed—if the verb can be considered appropriate to the prevailing régime—a substantial measure of autonomy. The British intervention did not juridically modify the national status of Egypt, and was at first declared, and indeed believed, to be temporary. In 1887 an evacuation

after the lapse of three more years was very nearly arranged, the proposed convention only breaking down through the opposition of the Sultan. Egypt, in law, was governed by the Khedive with an Egyptian Cabinet, an Egyptian Legislative Council, and an Egyptian Assembly, though in practice Great Britain exercised a decisive measure of administrative and military control.

Even before the War this anomalous situation, in which the theoretic limitation of Egyptian independence by the Turkish suzerain was negligible, while that imposed by Great Britain under the colour of 'advice' amounted in practice to a protectorate, had not remained wholly unchallenged. A Nationalist movement was in being at least as early as 1905, though it was, in this early phase, largely confined to the intelligentsia. Pan-Islamism undoubtedly played an important part in the agitation at this stage. Since the War the movement has acquired a more popular character, and, though no doubt its leaders have made what use they could of the religious factor, it has been mainly a struggle for political independence, encouraged, like others, by the slogan of 'self-determination', and the opposition of Muslims to Christians has been a comparatively unimportant incident in it.

Almost at the outset of the War Great Britain announced unilaterally the termination of Turkish suzerainty and proclaimed a protectorate over Egypt. The claims of Turkey were not indeed juridically extinguished until the ratification of the Treaty of Lausanne, but they were from the date of the British declaration hardly an operative factor in the situation. The deportation of the Nationalist leader, Zaghlul, in March 1919, caused disturbances which led to the investigations and report of the Milner Mission, which proposed a treaty recognizing the independence of Egypt subject to safeguards of British interests and the conclusion of a protective alliance with Great Britain. Negotiations on this basis proved abortive. In 1921 Lord Allenby, the Special High Commissioner, reported that the continuance of the protectorate entailed serious risk of revolution. In February 1922 the protectorate was consequently abolished, and the independent sovereignty

of Egypt provisionally recognized. At the same time the restrictions which the safeguarding of British interests imposed upon Egyptian sovereignty have since proved an insuperable bar to Nationalist acquiescence in the situation. A series of violent crimes took place, culminating, in November 1924, in the murder of Sir Lee Stack, Sirdar of the Egyptian Army and Governor-General of the Sudan. An ultimatum was consequently presented to the Egyptian Government, and a fine of £500,000 exacted. Zaghlul resigned, and a new Cabinet was constituted under the President of the Senate, Ahmad Ziwar Pasha. The Egyptian Parliament sent a protest to the League of Nations, but it was decided that the Anglo-Egyptian conflict was not strictly an international affair, and the League declined to intervene. The main issues in dispute were not, however, settled by agreement between the parties, in spite of repeated attempts. The most difficult questions in issue were those relating to the protection of the Suez Canal and the status of the Sudan, which involved that of the control and allocation of the Nile waters. It will be more convenient, however, to revert to these matters at a later stage.

Morocco

The disturbances in the remaining Islamic regions of North Africa are even less capable of being assigned to religious motives, or even to antagonism to Western domination as such. In Libya the reaction against the Italians, which continued to give trouble, was merely the recrudescence of a situation which had arisen prior to the Great War. It was a clear case of simple and natural resistance to aggression, which had gone on more or less continuously since the act of militant imperialism by which Italy invaded Libyan territory in October 1911. In Morocco, as well as in the other portions of North Africa under French control, there was, until the successful rising of Abdul Krim against the Spaniards, no serious sign of discontent, and a large part of the area remained permanently quiescent, except for some Nationalist agitation on parliamentary lines. Abdul Krim no doubt based his eventual pretensions on the doctrine of

self-determination, but it is clear that a more diplomatic handling of the situation in its earlier stages would have left the Rifis and their leaders content with a Spanish protectorate: it was an extraordinary combination of political and strategic ineptitude on the part of the Spaniards which must be held responsible for the long and calamitous campaign which began with the disaster of Anwal in July 1921, and was only ended at a vast cost with French co-operation in 1926.

Persia and Afghanistan

In completing this rapid survey of the reactions of the Islamic world to the War and its aftermath, it only remains to consider the effects in Persia and Afghanistan. In both countries, the circumstances and their results show a considerable similarity. The rulers of each also shared a zeal for internal reform, though Western ideas played a more prominent part in the policy of the Amir than in that of the Shah, whose less sweeping programme was probably on that account the more successful.

Persia before the War had occupied the unenviable position of a buffer, upon which impinged the rival interests of Russia and of Great Britain. The latter was strategically interested in the south-eastern frontier, bordering on Baluchistan, and commercially in the Persian Gulf. Her interest in the Anglo-Persian oil concessions had involved a certain amount of economic penetration in the south-west. More disturbing to Persia was the control exercised by Russia in the northern half of the country. The Anglo-Russian agreement of 1907, assigning bounds to the respective spheres of influence of the two European Powers, had been suspected, not without reason, of covering Russian designs of annexation, which might necessitate similar tactics on the part of Great Britain.¹ In any case, Persia's soul was not her own. The agreement interfered with her traditional policy of playing off her rival masters one against the other, she had to face such facts as that the northern and southern divisions of her army were largely officered by Russians and Englishmen respectively, and an American financial adviser whom she

¹ See Sykes (R.): *Persia*, p. 148.

had chosen was driven from the country by Russian diplomatic pressure.

As was to be expected, during the War, with Russia and Great Britain in alliance, Persian neutrality had worn a distinctly pro-German tinge, a fact which was countered by the presence of Russian troops in the northern area, and a British force at Bushire. When the Russian troops were withdrawn in consequence of the revolution, the British took their place, marching through the country and occupying the north and east. In 1919 an Anglo-Persian agreement was signed but not ratified, which provoked widespread protest in Persia by its proposal to employ British advisers in all branches of Persian administration. In 1920 a Bolshevik invasion resulted in the withdrawal of the British forces, and the Russians, by a parade of disinterestedness, managed to leave to England alone the stigma of appearing to seek the exploitation of the country. In February 1921 a *coup d'état* led by Riza Khan, a soldier from the Persian Cossack division, brought a Nationalist administration into power, which promptly denounced the Anglo-Persian agreement. The spectacular rise of Riza Khan after this date, to become successively Commander-in-Chief, Minister of War, Prime Minister, and finally, at the close of 1925, Shah of Persia, belongs to the domestic history of the country and must be studied elsewhere. The fact of international importance is the complete liberation of Persia from the foreign influences by which she had so long been dominated, and the consolidation of this position by an energetic internal policy, which made the new Shah, in a more real sense than any of his recent predecessors, master of the whole country.

The sovereignty of the Amir of Afghanistan had similarly been interfered with by the converging pressure of the same European Powers, Russia and Great Britain. Fear of the former had induced the Afghan Government to consent to accept British control of its foreign policy. The collapse of the Russian Empire in 1917 removed the sole inducement to remain under British tutelage, and though long-standing friendship restrained the hand of the Amir Habibullah, yet his murder in 1919 was immediately followed by an attack

on British India by his son and successor, Amanullah. Though this impudent act of aggression ended in his speedy and complete defeat, Afghan intrigues continued to play an important part in the subsequent risings in Waziristan, and in the terms of peace the British control over Afghan foreign policy, which had previously been exercised, was renounced.

The two countries, Persia and Afghanistan, celebrated their newly-won liberty in remarkably similar ways. In 1921 both countries entered into a nexus of treaties which created in the Near and Middle East a kind of Little Entente in the interests of Soviet Russia. In February treaties were concluded by the U.S.S.R. with Afghanistan and Persia respectively, and these were followed in March by a Russo-Turkish and Turco-Afghan treaty. The process was completed in 1926 by the conclusion of a treaty between Turkey and Persia.

In his review of events in the Islamic world comprised in the first volume of the *Survey of International Affairs, 1925*, Professor Toynbee suggests as a connecting thread a paradoxical contrast, everywhere perceptible, between the acceptance of Western ideas and the rejection of Western tutelage. The reader of the foregoing may perhaps be inclined to doubt the existence of any paradox. It may rather be urged that the nationalistic aspirations with which a number of Islamic peoples became independently imbued were themselves a part of the Western ideology which they were tending increasingly to absorb, and that the process was therefore quite logical. The example of the Arabs shows that there was in the movement no antagonism to the West as such: any suzerainty, even that of co-religionists, was equally obnoxious. In Arabia, indeed, the leaders evinced imperialist rather than nationalistic aims, in the furtherance of which they were ready to engage in internecine conflicts and to welcome the assistance of a Western and Christian Power. It is, in fact, difficult to apply one common denominator to all the occurrences described in this chapter; in so far as there is one, it may be extended beyond the circle of Islam to the post-War world in general. For democracy, in defence of which the War was alleged to have been fought, upholds the educational

principle of that celebrated expert, Mr. Squeers, 'when the boy knows this out of book, he goes and does it'. And the word with which the rising generation had been most sedulously familiarized was—'self-determination'.

PART II
THE PERIOD OF FULFILMENT

1925 to 1930

IX

THE WORLD IN 1925

THE punctuation of events, which allows to the historian and his readers a breathing-space, is unfortunately seldom so synchronized as to be applicable all over the world. At best there is but a comma in one place to correspond with the colons and full stops of others. But the year of Locarno affords a better opportunity than most for looking round and even back—like Lot's wife—without incurring her fate of being snowed under by the unchecked onrush of events. In Europe it marks definitely the conclusion of a period of preliminary settlement, and the start of a 'policy of fulfilment' which promised at least a temporary stability. In the Far East, the Shanghai and Shameen incidents of May and June 1925 inaugurate a phase when the disturbed affairs of China, hitherto a matter mainly of domestic concern, begin to occupy a place of increasing importance in the drama of international affairs. On the American continent, Chamorro's *coup d'état* in Nicaragua, almost exactly contemporaneous with the signature of the Locarno Treaties in October 1925, is the commencement of an episode leading to far-reaching modifications in the policy of economic imperialism hitherto pursued by the United States in Latin America, and provoking such active opposition to her claims to hegemony as is exemplified in the refusal of Panama in January 1927 to ratify the treaty signed at Washington during the previous summer. In the history of British Imperial relations, Article 9 of the Locarno Treaty, exempting the Dominions and India from its obligations, indicates that the stage has already been reached which the epoch-making Imperial Conference of 1926 is to endeavour to reduce to a constitutional formula. Finally, in the Islamic world, the Druse revolt against the French mandate in Syria breaks out in July 1925 and assumes critical importance during the later half of the year. Everywhere we seem to be entering upon new developments, and the temporary lull in the affairs of Europe may therefore profitably be utilized in

considering the progress, if any, which had hitherto been attained.

If the reader will cast his mind back to the opening chapter of the book, he will recall that the policy inaugurated at the Peace Conference was founded upon a number of postulates, which form a convenient basis of comparison with the situation which had actually developed. It will be found in practically every case that the expectation of 1920 had been belied.

1. *The European system was to be superseded by a world-wide system, in which Europe no longer retained a predominance.*

'This was a natural conclusion to draw from the exhaustion of Europe consequent upon the War, and the corresponding growth in prosperity and importance of Japan and the United States. It was most emphatically expressed by General Smuts, in addressing the Imperial Conference of June 1921:

'Our temptation is still to look upon the European stage as of the first importance. It is no longer so . . . these are not really first-rate events any more. . . . Undoubtedly the scene has shifted away from Europe to the Far East and to the Pacific. 'The problems of the Pacific are to my mind the world problems of the next fifty years or more.'

'This opinion might well be tenable in its positive aspects at a later date, though the possibilities of a major crisis in Europe would still have seemed unduly belittled, but up to the end of the year 1925 it would have been generally admitted that Europe was still occupying the centre of the stage. Nor had the world system materialized according to expectations. The defection of the United States and the jealous hegemony which they exercised over the Western hemisphere through the 'almighty dollar' and the Monroe Doctrine, had placed the control of international affairs, for the most part, once more upon a regional basis.

2. *The dominance of the Great Powers in the Concert of Europe was to give place to a democratic system, in which it would be counterbalanced by the increased numbers of the smaller states.*

'The affairs of Europe, if not of the world, were still under the control of the Great Powers of that continent. Whether

as 'the Supreme Council of the Allied and Associated Powers' or as the permanent members of the Council of the League of Nations, the Concert of Europe was still playing the decisive part. On major political issues the deliberations at Geneva were more and more yielding pride of place to conferences held elsewhere, and even at the meetings of the League there was a tendency, particularly marked during the convocation of the Special Assembly of March 1926 (see p. 190), for the tea-parties of the great to settle matters over the heads of the common herd.

3. *A general automatic co-operation, impartially exercised against all aggression, was to be substituted for the old system of local alliances.*

The third of the 'five particulars', expressed in President Wilson's speech of September 27th, 1918, was as follows:

'There can be no leagues or alliances or special covenants and understandings within the general and common family of the League of Nations.'

This principle had in a sense been violated by the American President himself, in the abortive Anglo-American guarantee to France, but this exception had not, perhaps, the obvious defects of local alliances between the nations on the continent of Europe. Such understandings may well be felt to be incompatible with the impartial and general co-operation for which the League stands, however carefully they may be expressed to be 'within the framework of the League'. Is it possible to contemplate France applying sanctions against Polish aggression, or Poland co-operating against France? What had occurred throughout the period under consideration was, in ultimate analysis, a reversion to the old system. The members of the League had recoiled, from the first, from their collective obligations for the maintenance of peace; the sanctions article had been watered down more and more; peace and security had been preserved by what may well have been thought to be more effective and trustworthy means, but the system really amounted to an alliance of the old type between the satisfied Powers, aimed against the revisionists, who were so far not in a position to complete the

return to the pre-War system by a counter-understanding. Even the engagement entered into by Great Britain at Locarno was a pact of local scope, consistent with her traditional policy; it was analogous to her guarantee of Belgian neutrality, and was limited to that protection of the Channel coasts and the ports of the Low Countries which, historically, she had long regarded as vital to her own interests. The machinery of the League could no doubt be used effectively in minor crises, such as that between Greece and Bulgaria, and Geneva had abundantly proved its utility as an instrument of international co-operation and a forum for the stimulation and expression of a world opinion, but the fate of the Draft Treaty and of the Protocol indicated pretty clearly how lightly the obligation to collective action sat upon the minds of those who had signed the Covenant.

4. *A world safe for democracy.*

This aspect was especially emphasized by President Wilson in his speeches. 'The people of this world . . . have determined that there shall be no more autocratic governments', 'The League of Nations sends autocratic governments to Coventry', and, most surprising of all, the following interpretation of the League Constitution, which occurs in a speech delivered at Oakland, California, on September 18th, 1919:

'One of the interesting provisions of the Covenant of the League of Nations is that no nation can be a member of that League which is not a self-governing nation. *No autocratic government can come into its membership; no government which is not controlled by the will and vote of its people.*'

Of this interpretation, the American President seems to have been the only exponent: certainly no attempt was made to apply such a test as a qualification for membership of the League: but the outcome of the War was very generally regarded as a triumph for democracy, and the League as an essentially democratic piece of machinery, the palladium of the smaller and weaker nations. Both these expectations were destined to rapid and progressive disappointment. The most

favourable conditions for popular government exist in periods of tranquillity, when the economic machine is working smoothly and profitably, and when political issues are few, simple, and mainly domestic, and are gradual in development. It is, moreover, a system which functions best in nations where it has grown slowly and naturally, affording to their populations an adequate opportunity for political education. All these conditions were conspicuously absent from the post-War world. It was an age calling for quick decisions by adaptable and unprejudiced minds, an age of hardships in which the suffering masses saw only the inevitable failure of any political party to provide immediate alleviation, and consequently tended to vent their disappointment and impatience in rapid changes of political allegiance, to demand the impossible from any government which it was in their power to threaten with defeat, while at the same time they realized their blindness and bewilderment, and were ready to surrender their powers to any leader who promised to bring them out of the wilderness. It was an age too when economic problems of baffling complexity, altogether unintelligible to the man in the street, clamoured for instant solution. In these circumstances democracy wilted even where it was securely rooted, and could not hope to thrive in new and unfamiliar soil. Unexpectedly but inevitably the world swung back to autocracy in a new form. In 1925 the tendency had only begun: in Russia, with the 'dictatorship of the proletariat', which meant in effect the despotism of the Bolshevik oligarchy; in Italy, with the Fascist dictatorship of Mussolini; in Spain, with General Primo de Rivera, and temporarily in Greece, under General Pangalos. But it was everywhere already in the air, and destined to spread with astonishing rapidity in the course of the next few years. A League of Nations with President Wilson's democratic qualifications for membership would soon have dwindled into numerical insignificance. For the same reasons international affairs more and more depended upon the leadership of a few Great Powers, and Geneva was less of a parliament of equal nations than a convenient field for the diplomatic manoeuvres of the new Concert of Europe.

5. *That the satisfaction of Nationalist aspirations would prove the best foundation for peace and co-operation.*

In an earlier chapter the difficulty has been pointed out that the application of the principle of self-determination inevitably involved its own violation. But even if the territorial settlement could have been faultless in this respect, there would still have remained the potential antagonism of states which had never practised or believed in a doctrine of 'home rule all round'. The redistribution of territory would still have been liable to be challenged wherever opportunity permitted, on historic, economic, and even strategic grounds. Moreover, the disintegrating force of Nationalism harmonized but ill with a scheme based upon unselfish co-operation. Canada, for example, was encouraged by the doctrine to think rather of her private security in a 'fire-proof house', than of her wider loyalties as a member of the British Commonwealth or a signatory of the League Covenant.

In fact, perhaps the most disquieting feature of the situation was a general tendency to ignore the most solemn obligations if, on second thoughts, they appeared disadvantageous to those who had entered into them. No doubt there have been numerous instances throughout history when nations have failed in an emergency to implement treaty obligations, but there has at least hitherto been a general expectation that such duties will normally be fulfilled. And in the case of the League sanctions under Article 16 such an expectation was the all-important factor. No aggression could take place if it was anticipated that the act would automatically confront the offender with an overwhelming combination; so long as this remained even reasonably probable it was extremely unlikely that the guarantors of world peace would ever be challenged to redeem their pledge. But a situation had now arisen when no trust was placed in any engagement which was not based on obvious and immediate self-interest, and the bluff was therefore increasingly likely to be called. Better, it was felt, the old system with all its disadvantages than 'inky blots and rotten parchment bonds' to which no one appeared to attach any really binding significance. Yet, now that no

stigma appeared to attach to the repudiation of inconvenient liabilities, it was not easy to feel safe even with regional treaties of an earlier type. These, too, seemed to rest not upon the signature but upon the interests of the parties, which further developments might all too easily modify. Thus pact might be piled on pact, and treaty on treaty, without creating any trustworthy sense of security.

Apart from this, for the moment the old system of regional alliances was safe enough. The revisionist Powers were not only deficient in force, but separated by differences of policy, interest and outlook too wide to permit of the formation of an opposing group. But there were dangerous possibilities for the future. The normal tendency towards a reversal of combinations after a great war in itself suggested an ultimate rapprochement between Russia, Germany, and Italy: the first two had fluttered the dovescotes of Europe as early as 1922 by the conclusion of the Treaty of Rapallo, while the opposition between France and Italy was becoming increasingly acute, and the dissatisfaction of the latter at her treatment during the Peace Conference tended inevitably to bring her into the revisionist camp. With each reconciliation of existing differences between these three Powers, and with the ultimately inevitable recovery of Germany, a situation could therefore be seen approaching in which the worse as well as the better features of the pre-War system might easily be reproduced. The possibilities of this danger must be considered in greater detail in the next chapter.

X

THE FOREIGN POLICY OF ITALY AND SOUTH-EASTERN EUROPE

Italy and the Peace Treaties

ALTHOUGH by the Peace Treaties Italy had realized territorial gains in Austria considerably in advance of the line demanded, as the price of non-intervention, in her negotiations with the Habsburg Empire in 1915, the total effect of the settlement was to leave her dissatisfied, disappointed, and considerably wounded in her self-esteem. The result was to place her in a special intermediate position between the revisionist and anti-revisionist Powers. A strict application of the principle of self-determination would have deprived her of the coveted Brenner frontier, which indeed had only been conceded to her on the clear understanding 'that the Italian Government proposes to adopt a broadly liberal policy towards its new subjects of German race, in what concerns their language, culture, and economic interests'.¹ In reliance on the declaration of her Ministers to which the passage above quoted refers, Italy had also been exempted from the measures of control imposed on other nations by the Minorities Treaties. But, elsewhere, the application of Wilsonian principles had considerably impeded the realization of what she regarded as her just demands. The Italians contended, with some technical justification, that the Armistice concluded with the Habsburg Empire was free from the conditions which the Allies had accepted as a basis of peace with Germany: it must, however, be admitted that such a basis is clearly implied in the negotiations preliminary to the Armistice, which took place between President Wilson and the Austro-Hungarian Government,² and the American President himself informed the Italian delegation, in April 1919, that he did not feel free to differentiate in the principles

¹ Reply of the Allied and Associated Powers, September 2nd, 1919.

² See notes of October 17th, 18th, and 27th, 1918, between these parties. *History of the Peace Conference*, vol. i, pp. 449, 452, and 456.

to be applied to the German and Austrian treaties.¹ The French and British Governments occupied a somewhat uncertain position between those of Italy and America. They worked hard for an acceptable compromise, but at the same time 'regarded themselves as being bound by the Treaty of London in the event of a voluntary agreement not being arrived at'.² Relations at the Paris Conference were, however, difficult and strained, and at one time resulted in the temporary withdrawal of the Italian delegation. The frontier with Yugoslavia was eventually settled by direct negotiations between the two nations concerned, which were embodied in the Treaty of Rapallo of February 2nd, 1921.

The Fascist Dictatorship

This Treaty, however, was generally unpopular in Italy, and the weakness imputed to the Italian Government in the handling of the peace negotiations contributed not a little to the growth of the Fascist movement. On Signor Mussolini's advent to power in October 1922, the Duce did not conceal his opinion that the Treaty of Rapallo was 'a lamentable transaction', and he expressed from the first his conviction that the settlement, in this respect as in others, was 'not eternal or unchangeable'. But for the moment it was impossible to denounce the Treaty of Rapallo without risking the reopening of the whole settlement, a step which, apart from its dangers to general peace, was obviously disadvantageous to Italy in the region which she had secured in the Tyrol. The dictator had, in fact, in his early speeches, to steer a rather difficult course between the pacific sentiments necessary to allay European alarm at his accession to power, and the attitude which his followers expected of him in view of his previous utterances. His first efforts were directed to re-establishing Italian prestige and influence, and to advertising that his country could not be ignored or slighted, but he was too good a realist to pursue objectives not immediately attainable. He continued, therefore, to gratify Fascist opinion by truculent words and such actions as the bombardment of

¹ Ibid., vol. v, p. 397.

² Ibid., vol. v, p. 426.

Corfu (see p. 84), but on the other hand he took the line that treaties once signed must be executed, and he applied this principle even to the Italo-Yugoslav Conventions which had been signed in Rome only a few days before his accession to power. If, however, the more bellicose utterances of Signor Mussolini have usually been neutralized by others, and by an unexpected moderation in action, it is probably not safe to assume that the latter, rather than the former, represent the true direction and ultimate aims of Fascist policy.¹

Causes of Franco-Italian tension

The creation of the Fascist dictatorship inevitably tended to throw Italy and France into opposing camps. France was a prototype of democratic government, loyal to the principles of her great revolution; Italy was the exponent of a new despotism, the antithesis of popular government, a possible source of infection to other democracies, whose ideals she repudiated with scorn. This ground of friction was intensified by the fact that a large proportion of the anti-Fascist refugees had sought asylum in France, which thereby became a base for propaganda hostile to the Italian Government, and even for plots and attempts against the life of the Duce. France might urge that this was her misfortune rather than her fault; that these *émigrés* had been thrust upon her, in spite of protests, together with an even more undesirable element of professional criminals; but the fact remained that the enemies of the Italian régime were very largely concentrated in this neighbouring country. On the main issue of post-War policy, too, France and Italy were in fundamental opposition. France was the protagonist of the *status quo* Powers, the uncompromisingly rigid upholder of the Treaty settlement, while Italy, in spite of her interests in the Tyrol, showed herself from the first sympathetic to the revisionist cause. But, in addition to the antagonism of contrasted political ideals and aims, there existed also definite causes of rivalry in North

¹ Cf. Signor Mussolini's speech of May 26th, 1927: 'We shall be in a position then—to-morrow—when, *between 1935 and 1940*, we shall find ourselves at a point which I should call a crucial point in European history—we shall be in a position to make our voice felt, and to see, at last, our rights recognized.'

Africa and the western Mediterranean, and also, to an increasing degree, in the Balkans and the Danubian basin, a region where history suggested a peculiar danger in any competition for hegemony on the part of external Powers.

Colonial Questions

The colonial aspirations of Italy are founded not merely upon the question of prestige, but also upon a real need both for a supply of essential raw materials and for an outlet for her excessive but at the same time continuously increasing population. Since the War the last problem has been rendered more acute by the restrictions imposed upon immigration by several countries, notably the United States of America. Fascism has never looked with favour upon an emigration to foreign countries which reduces the number of Italians who owe allegiance to their native land, and its solution of the problem has been sought partly in domestic developments calculated to absorb and support a larger population at home, which fall outside the province of this work. But an effort has also been made to check, so far as possible, the assimilation of Italian elements by foreign states, and Fascists also admit an aspiration towards further territorial acquisitions. 'We are hungry for land', said the Duce in 1926, 'because we are prolific and intend to remain so.'

The colonial possessions of Italy were not in themselves adapted to meet the demand, either of her excess population for land or of her industrialists for material, to any adequate extent. They might ease the situation, however, and they were in any case a matter in which Italy took serious interest from the standpoint of her prestige. By the Treaty of London of 1915 it had been agreed that any increase in French or British colonial territory resulting from the War should be compensated by extensions of the Italian frontiers in Eritrea, Somaliland, and Libya at the expense of France and Great Britain. The British redemption of this pledge was carried out in principle during negotiations which took place at the Peace Conference itself, whereby the cession of British Jubaland was agreed upon. The final settlement, which was delayed by linking it up with the dispute between Greece and

Italy over the Dodecanese, did not take place until 1924, when it resulted in the transfer of a substantial area to Italy. In this region, Italian desires were satisfied, but the negotiations with France were more disappointing. The French may claim the benefit of the proverb 'Bis dat qui cito dat', since their concessions, such as they were, were agreed upon as early as September 1919. They amounted, however, to no more than a slight rectification of frontier to the south-west of Libya, and are represented by Italian speakers as merely a 'resitution' of Italian territory occupied by French troops at the beginning of the War.¹ The agreement indeed speaks of reserving further points for future examination, but no additional steps have been taken in the matter.

The African interests of Italy were not, however, confined to territory under her own sovereignty or control. In the French protectorate of Tunisia, the numbers of Italian residents exceeded by about 30,000 those of French nationality. Having regard to the covetous eyes cast on Tunisia by the Italians, and to the fact that the establishment of the French protectorate in 1881 was represented as having forestalled Italian aspirations in the same region,² the situation was considered by France sufficiently serious to call for adjustment. By a Franco-Italian agreement of 1896 the descendants of Italian residents were enabled to retain their nationality: in 1918, however, France denounced this agreement, and it has since been precariously maintained in existence by renewals for periods of three months, pending fresh negotiations. Meanwhile, in 1921, the nationality decrees promulgated by the French and Tunisian authorities, which also gave rise to controversy with Great Britain, threatened the Italian status of the second generation born in the protectorate, if the agreement of 1896 was finally repudiated. The agitation aroused over this question served to intensify the feeling between the two Great Powers. This was aggravated when Italy was not invited to participate in the negotiations with regard to the international status of Tangier, which took

¹ See paper by Dr. G. Paresce, *International Affairs*, 1931, p. 353.

² This stroke had a great deal to do with the adhesion of Italy to the Triple Alliance a few years later.

place after the War. It was felt as a slight that the new statute, which was officially brought into force in June 1925, had been worked out in conference by Great Britain, France, and Spain; Italy, as a protest, withheld her recognition of its validity.

Competition in South-East Europe

The causes of rivalry in the western Mediterranean led Italy to endeavour to strengthen her position by a rapprochement with Great Britain and Spain, but she felt no immediate hope of any adequate expansion in this quarter. Her attention was therefore directed to the possibilities latent in south-eastern Europe, where a number of new or reconstructed states promised an opportunity of economic penetration, to which the door was opened through the newly-acquired ports on the Adriatic. This was admittedly the reason which led Mussolini to cultivate the unexpectedly friendly relations with Yugoslavia which were embodied in the pact of 'Friendship and Cordial Collaboration' of January 27th, 1924.

'For too long [he explained] the Fiume question has been a kind of portcullis impeding . . . direct and immediate contacts with the immense Danubian world. Now Italy can only move in an easterly direction, the fact being that on the west there are national states which have taken definitive form, and to which we can send nothing except our labour—though even our export of that may be prohibited or restricted any day. Therefore the lines for the pacific expansion of Italy lie towards the east.'

This policy meant that Italy proposed to look upon the Balkan and Danubian countries as a sphere of influence peculiarly her own. To Yugoslavia, on the other hand, the conclusion of a treaty with Italy did not exclude an equally close relationship with another Great Power. The policy of the Little Entente, and of its separate members, was at this time aimed at the ultimate creation of a Danubian bloc independent of external influences, but this policy was for the moment impeded by the irreconcilable differences between the states of this region, an obstacle which the good offices of Italy might assist to remove. Apart from this, an alliance with France was recognized as more natural than a

rapprochement with Italy, and the one was not conceived as excluding the other. In the same spirit, M. Beneš followed up the Franco-Czechoslovak treaty of January 25th, 1924, by a treaty with Italy in July, frankly explaining that the multiplication of agreements with Great Powers was a guarantee against the exclusive hegemony of any one of them. Thus the tendency of the Little Entente Powers was to encourage a competition for their friendship, of which Italy desired a monopoly.

The competition, however, had begun. The first round was slightly in favour of Italy, who had concluded treaties both with Czechoslovakia and Yugoslavia, while France, in 1924, had only succeeded in her negotiations with the former, though Yugoslavia, in January, accepted a French advance of 300 million francs for the purchase, in France, of munitions and military equipment. So matters remained at the date of the Locarno agreements in 1925, the eastern pacts with Germany being confined to France, Poland, and Czechoslovakia.

In 1926, however, the next round commenced in France's favour with the conclusion, in January, of a treaty with Roumania. Negotiations with this object had failed in the early part of 1924, but the break-down of the Russo-Roumanian conference on the question of Bessarabia in April put the advantages of French support in a more favourable light, and France improved the occasion by ratifying the Bessarabian treaty of October 1920 (see p. 79). For the moment the project for a defensive alliance broke down owing to the unwillingness of Yugoslavia to co-operate, a condition on which France was insisting.¹ But Italy was, from 1924, concerned to keep on good terms with Russia; her ratification of the Bessarabian treaty was therefore withheld until 1927, with the result that her relations with Roumania were somewhat cool until after the signature of the Franco-Roumanian treaty. By this time, Italian penetration of the Danubian basin and the Balkans had become a cardinal

¹ The Yugoslav attitude was possibly affected by the misbehaviour of some Roumanian troops, on the occasion of an evacuation of territory in April 1924, consequent upon the definitive regulation of the Temesvar frontier.

point in Signor Mussolini's foreign policy, but he was only able to cap the French treaty with a pact of friendship and collaboration with Roumania some eight months later.

It appears that the competition, on the French side, was not so far deliberate, but that France was prepared to welcome Italian participation in the arrangements concluded: it was Italy alone who was adopting an exclusive attitude. This was clearly brought out in the history of the third treaty between France and the Little Entente states, that concluded with Yugoslavia. For agreement had been reached with regard to this document during the winter of 1925, but signature was deferred in the hope that a tripartite arrangement, to which Italy would be a party, could be negotiated. The suggestion was, however, unfavourably received in Rome, and the Franco-Yugoslav treaty was consequently initialled in March 1926, though even then some hope remained, which deferred the formal signature of the instrument until November 11th of the following year.

This refusal to entertain the idea of a tripartite agreement marks a point at which the 'forward policy' of Italy in south-eastern Europe became much more vigorously pursued. Fresh friendships were everywhere cultivated. Since the Corfu incident in 1923, relations between Greece and Italy had been naturally strained at first, though in January 1924 a proposal to appoint an Italian minister to Athens had been well received. But 1926 saw a notable rapprochement. Bulgaria, who was in constant difficulties with her neighbours owing to the activities of the Macedonian Revolutionary Organization, owed much to Italian support, and the good offices of Italy were also of service in connexion with the raising of a loan for refugee settlement, for which Bulgaria had appealed to the League of Nations. But this Italian influence was inimical to a Bulgar-Yugoslav understanding. In October, approaches were also made to Hungary, suggesting an outlet on the Adriatic for Hungarian export trade, though the Italian offers in this case were interpreted in some quarters as an endeavour to frustrate similar overtures which had been made by Yugoslavia. The conciliatory policy towards Italy which had been hitherto pursued by the Yugoslav Foreign

Minister, M. Ninčić, was nevertheless maintained until the end of November, when the signature of a treaty by Italy and Albania at Tirana produced reactions in Belgrade which permanently changed for the worse the relations between Yugoslavia and Italy.

Italy and Albania

As was pointed out in an earlier chapter, the traditional policy of the Albanians was to play off against one another the rivalries of external Powers. After the War the two nations principally involved were Italy and Yugoslavia. The latter was dissatisfied by the decision of the frontier delimitation commission, which had awarded to Albania the monastery of Sveti Naum, on the south-eastern shore of Lake Ochrida, and the district of Vermosha, about thirty miles north-north-east of Skutari. The confirmation of this decision, in September 1924, had given rise to frontier disturbances which were the subject of complaint when, in December, a revolutionary movement commenced against the existing Albanian administration presided over by Mgr. Fan Noli, the Orthodox Bishop of Durazzo. The revolution was promoted and led by Ahmed Bey Zogu, the Muslim head of the previous Government, which had been driven from power in June. Ahmed Zogu had taken refuge in Belgrade, and the Yugoslav Government was accused by that of Fan Noli of complicity in the rising. The charge was officially denied, and the success of the revolution within a month precluded the necessity for its investigation: Fan Noli and his supporters in their turn left the country, and Ahmed Zogu was naturally ready to withdraw the imputations of his predecessor. The fact remains that the election of Zogu to the presidency of the Albanian Republic,¹ in January 1925, was immediately followed by the cession to Yugoslavia of the disputed territories of Sveti Naum and Vermosha.

Ahmed Zogu was ambitious and imbued with Westernizing ideas, and the determining factor in his policy was the need of money for economic development. Though he appears to have begun by applying to his former friends in Yugoslavia,

¹ He subsequently became King, September 1st, 1928.

the necessary funds were not forthcoming from that quarter, and this placed a powerful lever in the hands of Italy, which was only too ready to engage in the economic penetration of the country. In September 1925 a National Bank of Albania was founded in Rome, and in the same year a Society for the Economic Development of Albania (the S.V.E.A.) was organized in Italy, which in 1926 financed a loan of 50 million francs to the Albanian Government, the service of which was subsequently guaranteed by a royal decree of the Italian state. Ahmed Zogu had therefore golden reasons for modifying his external relations. On November 23rd, 1926, an armed revolt against his authority broke out, under the leadership of a Catholic priest, Don Loro Tzaka, which was said to have been planned by Fan Noli's supporters from the Italian enclave of Zara in Dalmatia. It was in these circumstances that the Italo-Albanian treaty of November 27th, 1926, was signed at Tirana.

The terms of this treaty, though represented in Italy as a mere confirmation of the diplomatic engagements of 1921, aroused lively concern elsewhere, and intense excitement in Yugoslavia, whose Government, as well as the nation, were completely taken by surprise. The agreement was construed as creating a virtual protectorate over Albania, and, taken with the other evidences of Italian activity in south-eastern Europe, completely changed the orientation of Yugoslav policy. The Italo-Yugoslav pact of 1924 was not renewed when it fell due for reconsideration, five years later.

The situation was rendered more critical by the occurrence of a series of incidents connected with Albania during the year 1927. In March Italian allegations of Yugoslav preparations directed against Albania were made and denied. In May fresh excitement was occasioned by the arrest of an employee of the Yugoslav Legation in Tirana, on a charge of espionage, which led temporarily to a diplomatic rupture. In October the Serbophil Albanian Minister in Belgrade was assassinated in Prague by an Albanian who had been educated in Italy, and who had travelled from Belgrade to the scene of the crime with an Italian visa. The cumulative tension produced by all these occurrences doubtless helped

to determine the step taken by Yugoslavia on November 11th, when the long-suspended treaty with France was finally signed.

This was followed eleven days later by the signature of a second Treaty of Tirana between Italy and Albania, to which the latter acceded with some signs of reluctance. This was definitely a military alliance for defence, by which mutual assistance was promised in the event of war, while each party was bound not to conclude a separate peace. Though the close coincidence in time between the conclusion of the French and Italian agreements was represented as fortuitous, it created an unfortunate impression, and the chief delegate of Yugoslavia took occasion to comment adversely upon the terms of the new treaty before the special Committee on Security of the League of Nations. The situation bore, indeed, the ominous appearance of a definite attempt to counter-balance the ascendancy of France in the western Mediterranean by an anti-French combination in the east, and this aspect was more or less openly admitted by Signor Mussolini and by the comments of the Italian press. A statesmanlike attempt to relieve the tension was made by M. Briand in a speech delivered in the French Chamber on November 30th, and this was followed, a few days later, by the signature of a *modus vivendi* for the reciprocal regulation of the position of nationals of each country in the territory of the other. But the cloud was not altogether removed.

Yugoslav suspicions of encirclement

Meanwhile, in Yugoslavia the impression grew that the approaches made by Italy to her neighbours implied a deliberate policy of encirclement. For this suspicion there were some grounds. Wherever she turned, traces of Italian influence seemed perceptible. A visit of Count Bethlen to Rome, in April 1927, was followed immediately by the signature of a treaty of amity and arbitration with Hungary, and the speeches delivered on this occasion breathed a mutual desire for the closest understanding, while these events interrupted negotiations in which Yugoslavia herself was engaged with her neighbour. Towards Bulgaria, too, she

was bent on maintaining a conciliatory attitude, but great difficulties were placed in the way of this policy by an intensive campaign of outrage launched in September by the Macedonian Revolutionary Organization, in which, though the evidence was not convincing, the hand of Italy was suspected even by responsible Yugoslav politicians. There could in any case be no doubt that Italy was a competitor for Bulgarian friendship. The effects of Italian reconciliation with Greece were apparent in the latter country's calm reception of the first Treaty of Tirana, though this was possibly due in part to another cause. During the years 1925-6 negotiations had been in progress for the renewal of the old Graeco-Serbian alliance of 1913, which Yugoslavia had denounced towards the close of 1924. These were coupled with questions connected with the Yugoslav Free Zone in the port of Salonika, in regard to which the Yugoslav claims were somewhat exacting. An agreement reached in August 1926, during the dictatorship of General Pangalos, was rejected a year later by the Government which replaced him. Some of the difficulties of Yugoslavia were no doubt due to the defects of her own diplomacy, but her suspicion that Italian policy was responsible for the situation in which she found herself appears to have been partially justified.

Roumania and the Optants

Roumania was in treaty relations with France, as well as being associated with Yugoslavia as a fellow-member of the Little Entente. Her treaty with Italy was therefore in any case of minor importance, but she also viewed with disfavour the rapprochement between Italy and Hungary, not only on general grounds, but because her relations with the latter country were particularly strained at this time. At the beginning of 1927 the question of the expropriated lands of the Hungarian optants had been revived, and during the year became an important subject for consideration at the sessions of the League of Nations. In the space available it is impossible to give more than a brief outline of the main features of the dispute.

By the Treaty of Trianon, residents in former Hungarian

territory were entitled to opt for Hungarian citizenship. By Article 250 of the same treaty, property of Hungarian nationals situated in Roumania was not to be subject to 'retention or liquidation'. Immediately after the coming into force of the Treaty of Trianon (July 1921), an agrarian law was passed in Roumania, expropriating the rural land of absentees; this was not at first extended to the property of foreigners, but in August 1922 this exemption was abolished. The Hungarians contended that the consequent expropriation of their land in Roumania was a breach of the Treaty. The Roumanians replied that it was part of a general piece of domestic policy, and the Hungarians could not be placed in a privileged position as compared with other aliens. The intervention of the League of Nations in 1923 failed to settle the dispute, but in January 1927 a new issue was raised by the decision of the Mixed Arbitral Tribunal (constituted by the Treaty of Trianon), to which a number of Hungarian optants had meanwhile referred the matter, that it came within its jurisdiction. Roumania retaliated by withdrawing its judge from the Tribunal, and the question therefore came again before the League. It remained a subject of acrimonious discussion throughout the years 1927-8, at the end of which period a conference of the parties met to undertake direct negotiations for a settlement. These conversations, however, also proved abortive, and matters were not finally adjusted until the meeting of the second Hague Conference in January 1930, when they formed an item in the general settlement of claims and counter-claims in eastern European countries in respect of reparation and post-War debts.

The Szent Gotthard Incident

In January 1928 some misgivings were occasioned by the discovery of a large consignment of machine-gun parts, contained in five trucks, at Szent Gotthard, on the Hungarian side of the Austro-Hungarian frontier. The discovery was made by Austrian customs officials. The consignment, which had been misdescribed as machinery, had been dispatched from a firm in Verona, its immediate destination being Slovenské Nové Mesto, on the Hungarian-Czechoslovak

border. It was alleged by the Hungarians that the goods were ultimately intended for Warsaw, and a joint inquiry by the local customs officials of Austria and Hungary was stated to have established this fact: it was, however, denied by the Polish Government. The matter came before the League, on the application of the Little Entente Powers, and an inquiry was instituted, with inconclusive results. The question of the final destination of the machine-gun parts was never cleared up.

Franco-Italian relations, 1928

On the whole, however, the situation cleared, at any rate for the time, during 1928. There was, in particular, a marked improvement in Franco-Italian relations. This was partly due to the friendly gesture made by M. Briand on November 30th, 1927, and the signature of the *modus vivendi* of which mention has already been made (p. 156). But it was greatly assisted by the revision of the Statute of Tangier which had come into force in 1925, and had proved generally unsatisfactory. As already stated (p. 151), Italy had not been consulted in the previous negotiations, and had therefore withheld her recognition from the arrangement. Spain was also dissatisfied, and the conclusion of a treaty of amity with Italy on August 7th, 1926, immediately emboldened her to reopen the question.¹ To the subsequent discussions Italy was a party, and the new Statute, which gave her representation in the Legislative Assembly and on the Committee of Control, was satisfactorily arranged, the exchange of ratifications taking place on September 14th, 1928.

Relations with Yugoslavia

At the same time Italian diplomacy was in a measure successful in its dealings with Yugoslavia. The Yugoslavs had hitherto persistently refused to ratify the technical Conventions relating to Fiume, Zara, and Dalmatia, which had been signed at Nettuno in July 1925. But they were not in a

¹ Spain linked her claims in this matter with the question of her seat on the League Council (see p. 191), as a condition of her continued membership of the League.

position to hold out any longer against Italian pressure. The efforts of Italian diplomacy also affected their relations with Greece. An Italo-Turkish pact, and a similar pact between Italy and Greece, was concluded in 1928, and negotiations—which eventually bore fruit in the Gracco-Turkish treaty of October 30th, 1930—were simultaneously being carried on, with the active encouragement of Italy, between Greece and Turkey. In the settlement of the question of the Salonika zone, which was made in 1928 and finally ratified in 1929, Yugoslavia was forced to abandon the extreme claims which she had previously advanced. Her main source of weakness is to be traced in the internal conditions of the country, where the cleavage between Serb and Croat had reached a critical stage. On June 20th, 1928, Radić, the Croat Peasant Leader, was murdered in the Legislative Assembly, with his nephew and another Croat deputy, by shots fired from the Government benches by a Serbian member, Puniča Račić. There seems to be evidence tending to prove that the outrage was planned and premeditated.¹ After this occurrence the Croat deputies withdrew in a body from the Assembly, and it was in these circumstances that the Nettuno Conventions were passed for ratification, on August 13th, by the 'Rump Parliament' which remained. The anti-Italian riots which the proposal had occasioned earlier in the year showed, however, that the decision did not reflect the popular attitude. The internal conditions of Yugoslavia led the King, in January 1929, to suspend the constitution and inaugurate autocratic government.

Italianization in the Tyrol

The existence of causes of antagonism between Italy and France, and the growing inclination of the former to associate herself with the cause of treaty revision, gave her relations with Germany a bearing of great importance on the prospects of lasting peace. For some time after the inauguration of the Fascist régime, any close understanding between these two Powers seemed to be precluded by the policy which Italy was

¹ See address by C. D. Booth, *Journal of the Royal Institute of International Affairs*, vol. viii, 1929, p. 332.

pursuing towards her subjects of German race, inhabiting the region of the Upper Adige, in what had formerly been the Austrian Tyrol. With the advent to power of Signor Mussolini, a deliberate policy of forcible Italianization, which the Fascists had pursued from an earlier date, was vested with legislative sanction. The pretext was an allegation that advantage had been taken of the indulgence of former governments to make the whole district a centre of German irredentism. But it should be remembered that this was in flagrant violation of promises repeatedly made by responsible Italians at the time of the Peace Conference in Paris: this indeed had been explicitly declared to constitute the understanding on which the region had been transferred to Italian control (see the quotation on the first page of this chapter). These pledges were now openly ignored. Local autonomy was first excluded by the erection of the whole territory, German-speaking as well as Italian, into a single province. Within this area the exclusive use of the Italian language was progressively enforced. From official documents, place-names, and public inscriptions—including tombstones—it spread to the courts of law and then to the schools, where from October 1924 even kindergarten instruction was compelled to be given in Italian, and by teachers approved by the Education Office, who had frequently no knowledge of German. This deprived the children of any effective education, and when the inhabitants sought to meet this difficulty by private schooling, a fresh decree forbade this expedient when applied to more than three children from different families. In these circumstances, illegal 'catacomb schools', as they were called, came into existence all over the South Tyrol, but these were remorselessly hunted down and suppressed.¹ These measures were combined with steps of a more normal nature, such as a ban upon the local German press.

With the improvement in the status of Germany consequent upon the Locarno agreements, this policy was subjected to vigorous criticism throughout the Reich, where a general boycott of all things Italian was widely suggested by way of

¹ It was announced in *The Times* of June 28th, 1934, that private schools for the teaching of German may be reopened in the Alto Adige.

reprisal, though this was deprecated by the Tyrolese themselves, as calculated to subject them to an even fiercer persecution. The suggestion was in fact met by Signor Mussolini with threats of 'a boycott squared and reprisals cubed', the assertion that 'the Germans of the Alto Adige are not a national minority, they are an ethnical relic', and an ominous hint that 'Fascist Italy can, if necessary, carry her tricolour further'.¹

Yet in spite of the feeling necessarily created by these exchanges, the question had a surprisingly small and transient effect upon Italo-German diplomatic relations. In December 1926 a treaty of conciliation and arbitration was signed by the two Powers, and a new protocol added to the commercial agreement of 1925. This was followed, indeed, by some temporary alleviation of the situation, when the German portion of the region was separated administratively from the Trentino, but the benefits anticipated from this modification did not materialize. Yet relations between Italy and Germany grew steadily closer during the ensuing years. It may seem paradoxical to see in friendly rapprochement a danger to peace, but Europe seemed one step nearer a relapse into its pre-War arrangement of two opposing alliances. Coupled with the rivalry in the Balkans of two Great Powers, one from each combination, it presented a picture which was ominously familiar.

¹ Speech of February 6th, 1926.

XI

THE PROBLEM OF DISARMAMENT, 1925-30

The Preparatory Commission

WITH the conclusion of the Locarno agreements the prospects of disarmament assumed a more hopeful appearance. The French demand for security against German aggression seemed for the moment to have been effectively met, and the contracting Powers, in the concluding paragraph of the final protocol, had undertaken 'to give their sincere co-operation to the work relating to disarmament already undertaken by the League of Nations and to seek the realization thereof in a general agreement'. Animated by the prevailing optimism, the Council of the League made a fresh start by the appointment, in December 1925, of a Preparatory Commission, which, it was anticipated, would clear the way for the meeting of the final Disarmament Conference in a comparatively short space of time. The hope was widely entertained that before the end of 1927 the Conference would be in session.

It was true that the menace of war was not confined to the danger of a German revival. To Poland, Roumania, and other states on the Russian border, substantial disarmament remained an impossibility so long as the U.S.S.R. was not a party to the arrangements. It was mainly the desire to secure the representation of the Soviet Government which occasioned an initial delay in getting to work. The first meeting of the Preparatory Commission was timed to take place at Geneva on February 15th, 1926, but at this time there were differences, still unsettled, between the Governments of Russia and Switzerland, as a result of the murder of the Soviet delegate to the Lausanne Conference in 1923. In these circumstances, the U.S.S.R. was unwilling to be represented at a meeting on Swiss soil, but a satisfactory solution was expected in the course of negotiations then in progress, and a postponement until May was therefore proposed, with the object of securing the attendance of a Russian delegation.

This step was further prompted by the expectation that, by the later date, the special Assembly of the League would have performed its allotted task of admitting Germany to membership. But the postponement, however reasonable, cast an inauspicious shadow over the outset of the proceedings.

As it turned out, neither of its objects was achieved. The special meeting of the Assembly proved abortive, in consequence of the disputes which arose over the constitution of the Council (see p. 190), and the Russo-Swiss negotiations broke down in February, with the result that when the Preparatory Commission met for its opening session, on May 18th, 1926, the U.S.S.R. was still unrepresented.

Apart from this difficulty, the hopes entertained of speedy progress proved illusory. In the minds of some of the states participating, the preliminary problem of security had not yet been sufficiently solved to permit of a direct and unimpeded approach to the question of disarmament. Efforts were at once made, by the French, Polish, and Finnish delegations, to secure priority for the question of security. Their proposals were forwarded to the Council, a committee of which was engaged in the investigation of the problem, but the Commission itself continued to attack its allotted task from the single angle of disarmament. Further obstacles of a serious nature were not long in making their appearance. There were numerous and important points of principle upon which the opinion of the Commission was sharply divided.

The French delegation viewed with complete mistrust any agreement on measures of disarmament which was not controlled by effective international supervision. Any such control the representatives of Italy and of the United States categorically refused to accept, and their view was adopted, less emphatically, by Great Britain, which was disposed to rely upon the good faith of the signatory Powers. The French moreover, with characteristic logic but ignoring practical difficulties, desired to import into the discussion the question of 'war potential' in all its aspects. Such a proposal at once exposes the rock upon which previous suggestions for a limitation of armaments have invariably foundered. What

is an armament? The military efficiency of a country is affected by considerations as remote from the number of its guns or of its regular battalions as the possession of certain raw materials, the construction and course of a railway, or the rise or fall of its birth-rate.

For example, it has been pointed out that the control of the Panama Canal approximately doubles the naval strength of the United States. Thus the mathematical equalization of the armed forces and equipment of two countries may well have the effect of establishing the unquestionable supremacy of the one over the other.

But, in spite of the undeniable force of such arguments, it was felt by an influential section of opinion on the Commission, particularly by the United States and Great Britain, that such an approach was fatal to progress. It involved consideration of many factors over which a Disarmament Conference could not expect to exert control—for instance, the rise or fall of a birth-rate. For this reason, practical considerations demanded the restriction of the survey, as far as possible, to armaments in the usual sense of the word.

On the other hand, on one point the rival protagonists appeared to change their ground. It was the British delegation which pointed out the potentialities of trained reserves as a matter which ought to be considered, while France and other conscriptionist countries argued hotly that limitation should only be applied to troops actually with the colours. On this point, the British finally agreed to give way, subject to a provision for so limiting the proportion of officers and non-commissioned officers as to preclude a sudden expansion, but the question remained unsettled, and Germany still adhered strongly to the original British standpoint. Another point of acute controversy arose in connexion with naval disarmament, between the advocates of limitation of total tonnage and those who favoured limitation by categories. This issue, however, may be more conveniently discussed on its recurrence at a later stage.

It soon became apparent, therefore, that the hopes originally entertained of the early assembly of the Disarmament Conference itself had been unduly sanguine. In March 1927 the

British delegation endeavoured to stimulate progress by depositing a draft convention, but this was immediately countered by the production of a French alternative, and comparison of the two served only to accentuate the existence of numerous and apparently irreconcilable divergences. These were further emphasized in April by the decision to issue a report, in which the rival proposals were set out side by side, together with any reservations submitted in regard to clauses as to which there seemed to be substantial agreement. By the close of 1927, the labours of the Preparatory Commission seemed threatened with deadlock.

The Three-Power Naval Conference

A similar failure characterized the efforts of the United States to complete the work of 1921-2 by arriving at an agreement as to the limitation of naval armaments in the categories excluded from the Washington agreement (February 6th, 1922). American opinion differed from that of the 'Continental School' in several important particulars, the contrast being clearly tabulated in a letter addressed by Mr. Kellogg, the United States Secretary of State, to an American correspondent, on January 11th, 1927. America still believed in a direct attack upon the disarmament problem dissociated from the question of security; she repudiated the continental contention as to the interdependence of all arms, and the necessity for considering 'war potential' in all its aspects; and she considered that naval armaments could most easily be dealt with on regional lines, by agreement between a limited number of naval Powers. This attitude was perhaps justifiable in considering the relations between the United States and Japan, where the area of possible conflict was indeed restricted, and the issue definitely limited to rivalry in sea-power. But it was unacceptable to France and Italy, who were committed to the thesis that all aspects of the problem were interdependent, and were averse from the consideration of one item in isolation, particularly at a time when it figured on the agenda of the League of Nations Commission which was simultaneously occupied with the question. An invitation issued by the President of the United

States to a conference on naval disarmament in June 1927 was therefore declined by these two Powers.

The position of Great Britain was, as usual, intermediate. As Mr. Ramsay MacDonald pointed out in relation to a later conference,¹ the five Powers principally concerned in naval matters resolve themselves into two groups of three, Great Britain being a member of both of them. It was therefore impossible for her to treat the problem in a purely regional spirit, since whatever might be agreed with the United States and Japan had to be considered in relation to the absent continental European Powers. Great Britain was, nevertheless, willing to participate in the proposed conference, even in the absence of France and Italy.

The ground had, however, been insufficiently explored, and the American and British representatives arrived at Geneva, on June 20th, with independent schemes which there had been no preliminary attempt to co-ordinate. The United States wished to treat the matter as one of pure relativity. They proposed to apply to the remaining categories of ships, with unimportant exceptions, precisely the same ratio as had been agreed upon at the Washington Conference with reference to large battleships. Great Britain, on the other hand, was concerned about her absolute needs, in the special circumstances in which the nation was placed, dependent upon the protection of supplies drawn from all quarters of the world. The limitation which she proposed consisted in a general reduction in the size of ships and the calibre of their guns, together with an extension in the accepted life of each class of vessel. This latter provision it was proposed to extend to the capital ships dealt with at the Washington Conference, a proposal which involved a reconsideration of the agreement previously arrived at. Great Britain was ready to accept the suggested ratio only in reference to the class of 10,000-ton cruisers carrying 8-inch guns. Of smaller cruisers, it was contended that her special needs called for a large number; the minimum suggested being 70.² Under the American proposal, the tonnage limit for all

¹ *Journal of the Royal Institute of International Affairs*, vol. ix, 1930, p. 430.

² See note at end of chapter.

ships in the cruiser class would be 400,000 tons each for Great Britain and the United States: the latter declared their intention of having 25 of the large 10,000-ton cruisers, thus leaving only 150,000 tons for the smaller class, or 20 cruisers of 7,500 tons, the limit of size proposed by Great Britain. Since the maximum size tends to become the standard, it was felt that it would be necessary to build in parity with the United States, and the result would be to leave Great Britain with a most serious deficiency in the numbers of cruisers thought essential for trade protection. There was, in short, a complete discrepancy between the doctrine of 'mathematical parity' and fixed ratios advocated by the United States, and the 'absolute' standard of requirement insisted upon by the British. This divergence probably coincided with the actual needs of the parties. The United States wished to have a comparatively small number of cruisers of large size; Great Britain required a large number of cruisers and, to secure these, needed a size limit as low as was compatible with the performance of their functions. But the crucial difference arose from the fact that one party thought purely in terms of numerical parity of forces, while the other, though recognizing the opposing force as an element in the problem, took other factors of security into consideration as well, and maintained in effect that to police a large area requires a certain minimum number of constables, irrespective of the quantity of disorderly characters within it.

There appears to be no doubt that, during the sessions of the Conference, a section of opinion was gaining strength in the British Cabinet which was fundamentally opposed to any concession of the principle of mathematical parity, which was regarded as equivalent to yielding to America a position of practical superiority. On July 19th the British representatives were temporarily recalled for consultation to London, and on their return Mr. Bridgeman's attitude was definitely more uncompromising, while his colleague, Lord Cecil, resigned from the Cabinet after the failure of the negotiations, which he was inclined to attribute to the instructions received at home. The lack of diplomatic preparation played, perhaps, a more important part. It was, no doubt, a cause of some

quite avoidable misunderstandings, though these seem to have been satisfactorily cleared up in the course of the proceedings. But the fundamental cleavage between the advocates of 'relativity' and those of 'absolute requirements' makes it probably unnecessary to search for further reasons for the breakdown of the Conference, which occurred on August 4th.¹

The Naval Construction Bill

Though the failure of American diplomacy on this occasion was destined to be offset almost immediately by the Kellogg Pact, which was perhaps the most outstanding contribution hitherto made to the twin problems of security and disarmament, the immediate sequel to the break-down was the submission to Congress, in November 1927, of a bill for increased naval construction. Its programme, however, called out unsuspected depths of antagonistic feeling among the people of the United States, as a result of which it was subjected to drastic reductions before the final passage of the bill in February 1929. Meanwhile, much had occurred to modify the situation.

The Kellogg Pact

In unofficial circles in the United States there had for some time been in progress a movement for what was called 'the Outlawry of War'. As was pointed out by a lecturer before the Royal Institute of International Affairs, in November 1928,² the term is strictly speaking a solecism. But the fundamental idea of the adherents of this school of thought was that no progress could be made towards the ending of war until the use of force was altogether renounced as a method for settling international disputes. Opinion outside the United States had meanwhile advanced some distance in the same direction. On September 24th, 1927, the Assembly of the League of Nations unanimously adopted a resolution proposed by the Polish delegation, which in terms prohibited

¹ See also note at end of chapter.

² Mr. Philip Kerr (now the Marquis of Lothian), *Journal*, 1928, vol. vii, p. 361.

all wars of aggression, and declared that pacific means must be employed in all cases to settle international disputes. At the Sixth Pan-American Conference, held in February 1928, a similar resolution was adopted on the proposal of the Mexican delegate.

But, at an even earlier date, the first steps in negotiations leading to the adoption of the Pact for the Renunciation of War had been taken. In April 1927 M. Briand had addressed a personal message to the American people, in which he suggested that the tenth anniversary of the entry of the United States into the War might be appropriately celebrated by the conclusion of a mutual engagement renouncing war as an instrument of policy between France and the United States. This suggestion he followed up in June by the transmission to Mr. Kellogg, the Secretary of State at Washington, of a draft treaty embodying this idea. Though the initiative thus appears to have come from France, the United States are really entitled to the share of the credit which they have since enjoyed through the popular name of the peace pact, for M. Briand had undoubtedly been inspired by an American citizen, Professor Shotwell, during a conversation held in the previous March.

Mr. Kellogg was somewhat slow in responding to this overture, but on December 28th he addressed two notes to M. Briand, the second of which suggested that the proposed treaty should be made multilateral. This suggestion was not immediately acceptable to the French Minister. It was one thing to indulge in the gesture of renouncing war with a nation with whom France was extremely unlikely to have any dispute which could possibly lead to hostilities, and another for a member of the League and a signatory of a number of treaties providing for an ultimate resort to war to adopt, without mature reflection, an unrestricted extension of the principle involved. In April, however, M. Briand agreed to submit the Franco-American correspondence to the Governments of Germany, Great Britain, Italy, and Japan, and, on April 13th, 1928, this course was adopted, by the issue of a circular note to these Powers from Mr. Kellogg, including the draft of a multilateral treaty. The two sub-

stantive articles in this draft were identical with those of M. Briand's original suggestion, except that they were cast in multilateral form. In answer to an alternative draft, issued on April 20th by the French Government, Mr. Kellogg, nine days later, delivered a speech before the American International Law Association, in which he gave an interpretation of various doubtful points, calculated to dispose of misgivings entertained in various quarters as to the effect of the treaty on existing obligations and the right of self-defence. These interpretations he reaffirmed, in a note addressed to fourteen governments, on June 23rd. These governments included, in addition to the four Great Powers originally addressed, Belgium, Czechoslovakia, and Poland, together with India and the self-governing Dominions of the British Commonwealth.

The reception of the proposal by public opinion was overwhelmingly favourable. The governments themselves were naturally and rightly more cautious. Great Britain made a reservation with regard to 'certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety'. This was generally held to refer principally to Egypt. France reserved her previous treaty obligations, and emphasized the right of self-defence, which Mr. Kellogg had conceded. She also stipulated that the violation of the pledge by one country should involve the automatic release of all. With these and similar understandings, the Pact was signed by representatives of the fifteen original contracting parties on August 27th, 1928, and was immediately declared open to the adherence of the other states. In a comparatively short time, acceptance of its terms was almost universal, the only self-governing states not invited to adhere being those in Arabia, the Nejd-Hijaz, and the Yemen. By 1930, the only other absentees of any importance were Argentina, Brazil, and Bolivia. The ratification of the Treaty by the United States took place on January 17th, 1929, and during the first half of that year it had been finally accepted by nearly all the other signatories. Somewhat surprisingly, the Soviet Government, which had originally damned the Pact with faint praise as a product of capitalism,

took immediate steps to anticipate its general ratification by securing the adherence of its neighbours to an independent protocol for bringing the terms of the Pact into force locally. This 'Litvinov Protocol', as it was called, was submitted to Poland and Lithuania in December 1928. The Polish Government was at first undecided, principally on account of its treaty relations with Roumania, with whom Russia had a still outstanding dispute over Bessarabia. M. Litvinov, however, expressed his willingness to include Roumania as an adherent to his protocol, which was also open for signature to the Baltic border states. In these circumstances, the instrument was signed by the U.S.S.R., Poland, Roumania, Latvia, and Estonia in February 1929, and by Lithuania shortly afterwards. By this time, however, the ratification of the Pact by the United States had been concluded, and the ostensible reason for M. Litvinov's independent action was therefore removed.

As an historical event, this almost universal repudiation of war as an instrument of policy seems to have a unique importance. As a gesture indicative of a new ethical attitude to war, it is undeniably impressive. It is particularly important in that it created a basis upon which the great nations outside the League, the United States and Russia, could take a direct interest in the collective organization of peace. Yet, as Mr. Wheeler-Bennett has pointed out,¹ 'only war of aggression had been outlawed', and actually it therefore carried the outlawry of war no further than the Polish resolution adopted by the League Assembly in September 1927 (see p. 169). As might be expected from an instrument of Transatlantic origin, it served at the moment as a magnificent advertisement of the pacific disposition of the world, and might have been thought to constitute a great step forward on the road to international security. It depends, however, on nothing more solid than the good faith of the signatory nations, and imposes no sanctions upon those who disregard its pledges. In an age which had learned to ignore inconvenient obligations, it was not destined to restore that measure of confidence necessary to induce the nations to dis-

¹ *Disarmament and Security*, p. 248.

arm.¹ Each probably considered that war was not, in any event, an instrument of its own policy, but each continued to mistrust the bona fides of its neighbours. At the very moment when the Pact was put forward for signature, an episode occurred which emphasized in a striking manner the existence of these suspicions.

The Anglo-French Compromise

On the adjournment of the Preparatory Commission in March 1927, its President, Jonkheer Loudon, had suggested the value of external conversations between the Powers concerned, with the object of removing the deadlock revealed in the French and British draft conventions. With this laudable motive, France and Great Britain accordingly entered into negotiations. Two main points of disagreement had been the respective attitudes of the two nations in relation to the treatment of land and sea forces. In the estimate of the former, Great Britain wished to include trained reserves, a course to which France was strongly opposed, while, with regard to naval limitation, the French favoured a limitation of total tonnage, whereas Great Britain, as she had shown in her abortive negotiations with America, held out for a limitation by separate categories. On these two matters, the two governments now succeeded in reaching a compromise. The gist of this was that in consideration of the withdrawal of the British opposition to the French standpoint in regard to trained reserves, France was prepared to accept a naval limitation by categories, from which surface vessels of 10,000 tons and under should be altogether exempt, if armed with guns of no more than 6-inch calibre. The difficulty was that both of the subjects for compromise were matters in which other Powers besides the negotiators were keenly interested. Germany retained the original British view on the subject of trained reserves, while the United

¹ One of those to whom the manuscript of this chapter was submitted remarks: 'I think the most striking result of the Pact deserves mention, i.e. that signatories who wanted to violate it have merely adopted the simple device of going to war without a declaration, so that we have really relapsed into the primitive age before "civilized" warfare existed!'

States had, as mentioned above, definitely rejected proposals for the subdivision of the cruiser class, and also attached great importance to freedom to arm all their cruisers with 8-inch guns, which, under the conditions now proposed, would place them in the restricted class.

It seems, therefore, strange that the two Powers should ever have believed that the fruits of their private negotiations would be generally acceptable. The actual terms of the compromise, however, caused less ferment than the manner in which they were revealed. On July 30th, 1928, Sir Austen Chamberlain announced the fact of the compromise in the House of Commons, without disclosing its terms: the text of the naval formula, without reference to the connected matter of the trained reserves, was telegraphed simultaneously to the American, Japanese, and Italian Governments, but, while public curiosity as to the nature of the agreement still remained unsatisfied and at the mercy of rumour, the French press broke out into paroxysms of jubilation calculated to produce the most exaggerated impressions of the importance of the arrangements arrived at. The aspect of the question relating to land forces was next extracted by inquiries from Germany, though the British Government continued to deny that this was an essential part of the negotiations, since it was 'an understanding with the French Government, made before the text of the compromise was actually drawn up'. Speculation became rife as to the existence of secret clauses and political understandings of a far-reaching character between the two governments. 'It was taken everywhere in Europe as proof that Great Britain had decided to support a permanent French military preponderance in Europe and that the policy of Locarno was at an end.'¹ To make matters worse, before the texts were officially published, an American newspaper printed a confidential letter of instructions regarding the compromise, which had been circulated, on August 3rd, to various French diplomatic missions. Circumstances thus combined to put a false construction on the whole affair, and to invest it with an atmosphere of secrecy and intrigue which was enhanced by its coincidence in date with

¹ Philip Kerr: *Journal of the Royal Institute of International Affairs*, 1928, p. 370.

the signature of the Kellogg Pact—the compromise and the Pact being actually referred to by Sir Austen Chamberlain, on July 30th, in the same sitting of the House of Commons. The methods of the old and the new diplomacy were thus brought in the public mind, especially in America, into powerful and poignant contrast. When the American and Italian official replies had duly condemned the arrangement arrived at, the incident terminated in a round of apologies, disclaimers, and criticisms.

Progress of the Preparatory Commission

When the Preparatory Commission had resumed its labours, on November 30th, 1927, it was fortified by two resolutions of the Assembly. The first of these was the Polish proposal condemning wars of aggression which has been already mentioned; the second (September 26th) reaffirmed the primary importance of adequate guarantees of security and collective action for the maintenance of peace, and suggested the formation of a Committee of the Commission, charged with considering this aspect of the subject. A further change had been brought about by the attendance on this occasion of a delegation from Soviet Russia (Turkey was also for the first time represented). The Russian representative, M. Litvinov, made his début with a sweeping proposal for the complete and immediate abolition of all armies, navies, and air forces, and the destruction of all warships, war material, and arms factories. This drastic suggestion was not treated seriously, and indeed was probably not so intended, its real object being presumably to discredit the League and the capitalist Powers by drawing attention to the slow and hesitant progress made in the field of disarmament. It is true, however, that the Soviet Government, whose weapon was subversive propaganda, would have lost little and gained much from the adoption, if conceivable, of such a proposal.

Meanwhile, the German representative, Count Bernstorff, lost no opportunity of pressing upon the Commission the right of his country to expect more rapid progress in general disarmament. He achieved, however, little more than to arouse a suspicion that he was anxious to force the pace with

the idea of ensuring the break-down of the Conference, so as to clear the ground for the rearmament of Germany. M. Litvinov was also suspected of wrecking designs, and a growing rapprochement between Russia and Germany, indicated by an interview between Count Bernstorff and M. Litvinov in Berlin, before the reassembly of the Commission, was viewed with some uneasiness. It is fair to add that the tactics imputed to the 'heavily-armed Powers' were a subject of no less sincere criticism and misgiving to their opponents. The Commission, in any case, continued to make no perceptible progress during the year 1928.

The General Act

The work of the Committee on Security was more fruitful. On the basis of preliminary work carried out in Prague under the chairmanship of M. Beneš, it succeeded in producing no less than ten model draft treaties, in which the changes were rung upon the various expedients of arbitration, conciliation, non-aggression, and mutual assistance. Three of these treaties were multilateral and the remainder bilateral. The former were combined by the Ninth Assembly of the League in September 1928, into a General Act for the Pacific Settlement of International Disputes, which was opened for the general accession of all states.

The object of the General Act was to implement the Kellogg Pact by providing machinery for the pacific settlement of international disputes, applicable to all cases. The first chapter provided for procedure by conciliation, the second for the reference of justiciable disputes to the Permanent Court or to an arbitral tribunal, while the third extended the expedient of arbitration to disputes for which the machinery of the Permanent Court was not appropriate. A final chapter, dealing with general provisions, permitted adherence to the Act to be either complete or partial; states were left free to accept either the conciliation procedure alone, or conciliation and judicial settlement, without committing themselves to the principle of compulsory arbitration in all cases. Chapter IV also permitted reservations, and provided that if one party to a dispute had made a reservation the other parties might

claim the benefits of it. There was, therefore, an obvious advantage in waiting to see the attitude of other nations, and it is hardly surprising that no accessions had been notified by the close of 1928.

In May 1929, however, Sweden accepted Chapters I and II of the General Act, together with the relevant general provisions, and Belgium, a few days later, notified her general accession, reserving only disputes arising out of earlier events. Since the Act was to come into force ninety days from the second accession (Article 44), it accordingly entered into operation on August 16th. By September 1930, Denmark, Norway, and Finland had acceded completely and Holland had accepted the chapters relating to judicial settlement and conciliation. The example of these countries was soon followed by Luxembourg and Spain. The signatories, however, included no Power of first-class importance by the end of 1930.

The Convention on Financial Assistance

A rather important decision was reached by the League Assembly during its eleventh session, September 1930, when a convention for the provision of financial assistance to states victims of aggression, or subjected to the threat of it, was thrown open for signature. The coming into force of this convention was, however, made conditional upon the conclusion of a disarmament convention at the forthcoming Conference. The scheme was originally put forward by the representative of Finland before the Preparatory Commission in 1926, and a long discussion preceded its provisional adoption in 1930. The notion of 'promoting peace by financing war' was exposed to some criticism, and considerable difference of opinion prevailed as to whether the expedient should be applied at a stage preceding the actual outbreak of war and also as to whether its application should be contingent upon the success of the Disarmament Conference. It was eventually agreed that the convention should only be applied in circumstances short of actual war 'if the Council . . . shall, in any international dispute likely to lead to a rupture, have taken steps to safeguard peace' which have been disregarded by one party, and

also 'provided it [the Council] considers that peace cannot be safeguarded otherwise'. The second disputed point was decided, as already stated, in favour of the contingent adoption of the convention.

The Naval Conference, 1930

An important change—for better or for worse—came over the spirit of the scene with the advent to office of Mr. Ramsay MacDonald, as a result of the British general election of May 1929. The divergence of policy in the matter of disarmament between the Conservative and Labour Governments was of course not so conspicuous as that of the views entertained by some of their supporters. If a man were heard inveighing against 'this disarmament nonsense', and clamouring for large increases in the armed forces of the Crown, he would not represent the view of the Conservative Government, but there can be no doubt that his vote, if recorded, would be Conservative. On the other hand, the extreme pacifist, advocating reckless unilateral gestures of disarmament, could with equal certainty be set down as of the Labour party, though, with the possible exception of Lord Ponsonby, he could claim no official supporter for his views. The affiliations of extreme views of this kind are an indication of a more subtle distinction in the approach by responsible statesmen of each party to the question of disarmament. Though both desired the same end, the motive and emphasis were different. The Conservatives, of whom Lord Cushendun, their representative at Geneva, was a typical specimen, laid the chief stress upon the economies to be achieved by a limitation of expenditure on armaments, and upon the obligation to disarm inherent in the League Covenant, but were openly sceptical of the efficacy of disarmament as a preventive of war.¹ They considered that the reduction in the British forces had already approached the limits of safety, and, while they regretted this premature throwing away of cards, were reluctant to make further sacrifices. They were opposed to a general commitment to submit British interests to the adjudication

¹ See address by Lord Cushendun, *Journal of Royal Institute of International Affairs*, vol. vii, 1928, p. 77.

of foreigners, such as was involved in the signature of the 'optional clause' of the Statute of the Permanent Court of International Justice, or adhesion to the General Act. To the Labour party, on the other hand, the achievement of a substantial measure of general disarmament was a better safeguard of the national interests than any which could be attained through the armed forces of the country, and they were correspondingly more ready to make concessions. Mr. MacDonald's Government came into power pledged to sign the optional clause, and this pledge was redeemed, with the reservation of domestic and inter-imperial questions, in September 1929, the self-governing Dominions and India following the example of Great Britain.¹ In 1930 the Government took steps towards accession to the General Act, and, after consultation with the Dominions at the Imperial Conference which met in that year, instruments of accession were deposited by all members of the Commonwealth, with the exception of South Africa, in the summer of 1931. As a further pacific gesture, the Government also suspended operations upon the Singapore naval base. Of more immediate importance, however, was the revival of negotiations with the object of arriving at a satisfactory solution of the problems of naval disarmament. This had been facilitated by some encouraging pronouncements from America in the spring of 1929, and the rest of the year was largely devoted by Mr. MacDonald to Anglo-American conversations, as a result of which an invitation was issued in October to the United States, France, Italy, and Japan to attend a conference in London in January 1930.

The Naval Treaty of London

For this Conference, unlike that of 1927, the ground had therefore been well explored. A further advantage lay in the fact that France and Italy accepted the invitation, for though the solution of the problem was thereby complicated, it was faced, at the outset, as a whole. The hands of the British negotiators were also freed by the adoption, on the part of

¹ The Irish Free State did not reserve inter-imperial disputes. As she stood alone, however, this difference is not of practical importance.

the Admiralty, of a more modest estimate of the 'absolute needs' of Great Britain in the matter of cruisers, the minimum demand being reduced from 70 to 50. The ground for this reduction was stated to be the 'improved world political relationships' consequent upon the adoption of the Kellogg Pact. But it remained doubtful whether it was not based on an unduly optimistic view of the international situation. The First Lord of the Admiralty, indeed, represented the figure as having only a temporary validity 'up to the next date for conference and revision', in other words, until 1935. It was also stated to be contingent upon adequate limitation being agreed to by other Powers.

Having secured this expert reduction in the claims of 'absolute need', the new Government was able to abandon all opposition to the American approach to the problem as one of pure relativity. It was left to the French, ably represented by M. Tardieu, to continue the attack upon the fallacy of mathematical ratios. The naval requirements of France, he insisted, were governed by such considerations as the distribution of her coast-lines on three seas, and the extent of her overseas communications. The same arguments were used, upon another front, in opposing the Italian claim to parity. This claim the French representative was only willing to concede in return for adequate guarantees of security which none of the other negotiators was willing to grant. All-round parity with Italy, he urged, meant in fact inferiority in the Mediterranean.

The Italian delegation, however, while protesting their willingness to accept any figure, however low, which was not exceeded by any other continental Power, continued to insist upon equality, and on this issue the attempt to secure complete agreement between all the five Powers eventually broke down.

In other respects, the difficulties proved more tractable. Between the limitation confined to aggregate—or 'global'—tonnage advocated by France, and the restriction by separate categories preferred by Great Britain, a basis of compromise was found in the so-called 'transactional proposal' put forward by the French in 1927. This combined the 'global'

system with an allocation of the total tonnage between different categories, which might be modified by the transfer of a proportion from one category to another, after due notice to the other Powers concerned. By substantial agreement upon this arrangement, one of the most formidable obstacles was surmounted, though Great Britain insisted that the right to transfer should be restricted to certain categories. It was soon apparent, however, that the proportion available for transfer could not be fixed until the tonnage ratio between the different Powers had been settled.

The principal obstacles to progress in this respect were the assessment by France of her absolute requirements at a high level, and a demand by Japan for a 70 per cent. ratio with the United States in the class of 8-inch gun cruisers. The Conference, however, attained at an early stage substantial agreement upon certain important points. While Anglo-American proposals for the total abolition of submarines were rejected, all parties were prepared to agree to regulation of the conditions of submarine warfare; all were also prepared to acquiesce in a five years' holiday for the construction of capital ships. The Japanese claims in relation to large cruisers were met by negotiations between Senator Reed and Mr. Matsudaira, resulting in an agreement allocating to Japan 60 per cent. of the American figure in this class, subject to an understanding with regard to building which left her with a 72 per cent. ratio up to 1936. In numbers, as opposed to tonnage, Japan was more favourably situated, since four of her cruisers in the 8-inch gun category were of lighter tonnage than the American. In other cruisers and destroyers a 70 per cent. ratio was conceded, and in submarines complete parity. The ground was thus cleared for a treaty, which was signed on April 22nd, 1930. The failure to secure complete agreement from France and Italy necessitated its division into two parts, one of which was accepted by three Powers only, the United States, the British Empire, and Japan. The portions accepted by all embodied the agreements as to capital ships and as to the regulation of submarine warfare; they also limited the tonnage and gun calibre of submarines, and contained provisions extending the limitation of air-craft

carriers prescribed by the Washington Treaty of 1922. The British Empire, the United States, and Japan agreed further to scrap five, three, and one battleships respectively by 1933 instead of 1936 as provided in the Washington Treaty. The tonnage in other categories was allocated between the three Powers according to the following table:

	<i>British Empire</i>	<i>U.S.A.</i>	<i>Japan</i>
(a) 8-in. gun cruisers	146,800	180,000	108,400
(b) 6-in. „ „	192,200	143,500	100,450
(c) Destroyers	150,000	150,000	105,500
(d) Submarines	52,700	52,700	52,700
Totals	541,700	526,200	367,050

The numbers in category (a) were: for the U.S.A. 18; for the British Empire, 15; for Japan, 12. A clause much criticized in Great Britain limited the replacement tonnage of the cruisers in the case of the British Empire to 91,000 tons within the period covered by the treaty, without any corresponding provision in regard to the other Powers. In view of the uncertainty as to the action of the two European Powers, a so-called 'escalator' clause was included, permitting an increase in these figures, upon due notice, if the requirements of national security of any of the three signatories demanded it.

The provisions of the treaty were subjected to considerable criticism in the countries of each of the three Powers. In Japan, one member of the Naval General Staff committed suicide, and the Minister of Marine, who had signed the treaty, was presented with a dagger on his return, as a hint that he might well follow the same course. In Great Britain, the view that our naval security had been imperilled was widely held, and the prevalence of this opinion has not since diminished. On the other hand, the Government was able to point to substantial economies, and to claim that the work of the Preparatory Commission had been considerably facilitated. The treaty came into force, after ratification, on January 1st, 1931.

The Draft Disarmament Convention

Encouraged by the measure of agreement secured in the Naval Conference, the Preparatory Commission succeeded in

concluding its labours by the close of 1930 by the adoption of a draft disarmament convention. The way was thus at last prepared for the meeting of a Disarmament Conference, which was arranged by the Council of the League for February 1932. But a phase in the history of European relations had been finished, and a new chapter had been begun, even before the Preparatory Commission had completed its allotted task. On October 3rd, 1929, Herr Stresemann died. He lived to catch a sort of Pishgah sight of one of his objectives, the evacuation of the Rhineland by the Allied forces. Though this was not completed until June of the following year, the procedure had been agreed upon in August 1929, and the withdrawal had actually begun a few weeks before the death of the German statesman. With Stresemann passed away the 'policy of fulfilment', of which he had been the champion.

The change in the situation was clearly indicated by the results of the German general elections in September 1930. The spectacular rise of the Nazi party is a subject of such importance that it must be dealt with more fully elsewhere. But the trend of events was plainly shown, when a party which in the previous Reichstag held only 12 seats succeeded in gaining 107. Germany was no longer content to acquiesce in the conditions imposed upon her at Versailles so long as the rest of the world declined to disarm to the same level.

Even before this date, there had begun an ominous tendency for the chief Powers of Europe to form two groups, irreconcilably divided over the question of treaty revision. This tendency was exemplified in the replies returned to M. Briand's proposal for a Pan-European union (see further pp. 299-302) which was circulated on May 17th, 1930. During the later sessions of the Preparatory Commission, there were traces of a growing rapprochement between Italy, Germany, and the U.S.S.R., in opposition to the point of view of which France was the protagonist. The Commission had to abandon the hope of an agreed conclusion, and to face the alternatives of a majority decision unacceptable to Germany or complete failure in its allotted task. This consideration accounts for the unexpected attitude of the British representative. Lord

Cecil was evidently more concerned to secure a convention embodying the largest measure of agreement attainable than to insist on, or even support, propositions with which he had formerly appeared to be in sympathy. Thus, when Germany revived the question of including trained reserves, he abstained from voting, and when it was proposed to apply direct limitation to land war-material he not only adopted the same course with decisive effect (for the voting on the German resolution was equal, and it was only rejected for lack of a majority), but actually spoke against the proposal and in favour of the alternative of budgetary limitation. While his policy was misinterpreted in some quarters as indicative of a Franco-British rapprochement, it was really based upon a preference for what seemed practically attainable rather than for the theoretically desirable.

The convention, which was thus passed by a majority vote, met with the freely expressed disapproval of the representatives of Germany and of the U.S.S.R. The Swedish delegate also declared his disappointment at the results achieved, and Mr. Gibson, for the United States, was not enthusiastic. Judged, however, as a skeleton basis on which the Disarmament Conference might work, it had achieved a considerable measure of agreement.

The principles adopted can only be summarized here in their main features. Personnel was to be limited, and where possible reduced, in the number of serving effectives in all formations organized on a military basis, without consideration of the size of trained reserves. The period of service with conscript forces was to be limited. Land war-material was subjected to budgetary limitation, and naval material was to be limited in accordance with the conclusions of the London Conference. The budgetary limitation was not applied specifically to air material, which was restricted by numbers and horse-power. But an overhead budgetary limitation was applied to the total expenditure on land, sea and air forces. Chemical and bacteriological warfare was prohibited. Other articles provided for the exchange of information, and the setting up of a Permanent Disarmament Commission.

A clause peculiarly obnoxious to Germany preserved rights

and obligations secured by previous treaties. While this was primarily intended by Great Britain and America to apply to the London and Washington Treaties, it was construed by France and other Powers as maintaining the strict application of the military clauses of the Treaty of Versailles. It thus brought out, in sharp conflict, the contrast between the French and German views. To France, the complete disarmament of Germany entailed no corresponding obligation on other Powers. It was merely an element in the security on which her own willingness to reduce her armaments depended. To Germany, the Versailles Treaty had created a quasi-contractual right to demand that other nations should disarm to her own level. The article in the convention, appeared, on the other hand, to impose on Germany a continuance of her existing disadvantage, irrespective of the action of her neighbours. To this she was not willing any longer to submit.

The effectiveness of the work done by the Preparatory Commission was in fact prejudiced by the time which it had occupied. A new era was beginning, and what might have sufficed for the Europe of 1925 to 1929 might well prove inapplicable to the Europe of 1932.

NOTE

The British claim of 'absolute need' in cruisers

On this point, an argument often advanced in influential political circles ought perhaps to be noticed. It contends that the number—70—originally stipulated by the Admiralty would in fact be so inadequate that it may be disregarded, since four or five German raiders were able to do damage in the War, in spite of the existence of a far larger number, some 120, of British cruisers. The argument proceeds on the lines of a rule-of-three sum: if it took 120 odd cruisers to cope with four or five raiders, how many are needed to deal with a much larger number, usually stated loosely as 'hundreds', which a less easily blockaded enemy could provide? The answer is—it is urged—evidently far more than 70, and the conclusion is drawn that the resistance to the American thesis was mistaken.

To this, the naval expert has several points of reply:

1. The security aimed at is not absolute: a few raiders may still

do damage: the object is the substantial protection of essential supplies.

2. The raiders in the late War did not ever imperil the security thus defined.

3. The mathematical argument is fallacious; the same number of cruisers could have afforded security against a much larger number of raiders, had they existed. The ships utilized as raiders normally act singly, because

- a.* they do more damage if scattered;
- b.* they are more difficult to supply if massed;
- c.* even two or three together would be no match for a properly armed cruiser, with speed enabling her to choose the range, &c.

The number of raiders therefore does not cause a proportional rise in cruiser requirements. If a convoy has to cross the ocean, and there is one raider about, the escort must accompany the convoy throughout, since the whereabouts of the raider is unknown. Acting thus, the same escort could cope with the hypothetical 'hundreds', acting singly, as our cruisers actually did cope with hundreds of privateers in the Napoleonic wars.

4. The figure 70, though opinions may differ as to its complete adequacy, was based on the scientific calculations always applied in such cases. It depends

- a.* on the number of convoys needed to keep the country supplied;
- b.* on the number of fixed patrol areas where, e.g. converging traffic suggests a probable point of attack;
- c.* on the capacity of the enemy to employ cruisers in massed bodies, a capacity mainly dependent upon his possession of bases in the vicinity of lines of communication. This varies with different enemies, but an approximation to the numbers needed to meet it, in differing circumstances, can be arrived at.

This summary is of course not exhaustive, but it seems unwise to ignore a figure completely, merely because the reasons for it are unknown.

XII

AMERICA AND THE LEAGUE OF NATIONS

The League and the Monroe Doctrine

SOME of the difficulties caused by the withdrawal of the United States from the world organization which she had helped to create at the Peace Conference have been referred to elsewhere in the course of this volume. But on the American continent itself the disadvantages of this defection went much further than the loss of a single member to the League, however distinguished and influential: it went far to deprive a number of states which had taken a different course of much of the benefit of membership, and practically to exclude most of the Western hemisphere from the scope of the League's political influence. In a vain endeavour to satisfy the susceptibilities of the United States, Article 21 had been inserted in the Covenant, which assured them that the validity of 'regional understandings like the Monroe Doctrine, for securing the maintenance of peace', remained unaffected. The phraseology of this article is not strictly accurate, for the Monroe Doctrine is not a 'regional understanding' but a unilateral declaration of policy, which moreover is not directly aimed at 'securing the maintenance of peace'. The pronouncement of President Monroe, which had the approval and essential support of Great Britain, was intended to preserve the young, weak republics of America from the interference or exploitation of any of the Great Powers, which, at that date, were to be found exclusively in Europe. This purpose it served admirably; but the irony of fate had now raised the United States themselves to the position of a Great Power which was inclined to interpret the doctrine not as the palladium of the Latin American Republics, but as conferring upon herself a monopoly of exploitation and control. At the period with which we are now concerned the Monroe Doctrine was tending to become the pretext of economic imperialism. It had not, indeed, proved possible to act upon this interpretation in dealing with the large republics of

South America, but over the feebler states of the Central American isthmus an effective hegemony was not only claimed but exercised. After the War even great South American republics such as Brazil and Argentina had reason to fear an increase in the dominant influence of the United States: before that time their principal commercial relations had been with Great Britain and Germany; the capital necessary for their development had been derived mainly from British investment; thus, while the political hegemony claimed by the United States protected them from the dangers of their economic dependence on Europe, the converse was also true.

But the effect of the War was to place the economic and political levers in the same hands. The impoverished nations of Europe, whether victors or vanquished, no longer provided an adequate market or a supply of capital; their place was taken by the United States, whose percentage of the trade with Latin America showed an almost incredible increase.

Faced with this combination of political and economic dominance, most of Latin America had turned eagerly to the chance which membership of the League of Nations seemed to offer of establishing an effective counterpoise; the only important exception being Mexico, which was not invited to adhere (since her Government was not at the time universally recognized). Their expectations were, however, doomed to disappointment. At the first Assembly of the League in 1920 the Argentine delegation moved a proposal calculated to emphasize the universal character of the new organization and the equality of its members. This, however, was not accepted, and Argentina, while continuing to pay her subscription, retired in disappointment, from active participation in the work of the League.

It was not long before the apprehensions created in the minds of Latin America by the obscure wording of Article 21 began to be strengthened. The United States took the first opportunity of indicating their jealousy of any intervention from Geneva in the affairs of the American continent. When the tripartite dispute over Tacna and Arica revived between Chile, Peru, and Bolivia in 1920, the League was invoked by the last two parties; but Peru was immediately subjected to

pressure from the United States, in consequence of which she withdrew her application; Chile from the first denied the competence of the Assembly; while the Bolivian request, which was for the modification of an existing treaty under Article 19, was rejected by the Committee of Jurists to which the League had referred it. Again, in 1921, an alleged case of aggression by Costa Rica was referred to Geneva by the Republic of Panama: but this step stimulated the United States to energetic action to preserve its exclusive authority, as a result of which Panama was compelled to submit, after recording a formal protest. Both these cases suggested that on the one hand the League would be chary of any interference which might offend the susceptibilities of the United States, and that even more certainly the United States would object to any such intervention as an infringement of Article 21.¹ The faith of Latin America in the utility of the new world organization was thus speedily shaken, and though Geneva did all in her power to honour her American representatives, the problems of settlement consequent on the War brought about an inevitable preoccupation with European affairs which could not but increase the impression that the League was a regional institution with which the Western hemisphere was not directly interested. Peru and Bolivia followed the example of Argentina in withdrawing from active participation in 1921, and thus, though the number of Latin American states members of the League remained imposing, they consisted for the most part of the small Caribbean republics, with the islands of Cuba and Haiti, over which the control of the United States was close and effective, while a large and important area of South America was virtually unrepresented.

*Question of Germany's seat on the Council: Withdrawal of
Brazil from the League*

By Article 4 of the League Covenant, the Council, as originally constituted, was to consist of representatives of the

¹ Costa Rica gave notice of withdrawal from the League in December 1924, since she felt disappointed in the degree of protection against domination by the United States afforded by membership of the League of Nations.

Principal Allied and Associated Powers (France, Great Britain, Italy, Japan, and the United States), as permanent members, with four non-permanent members from other states, these seats being originally filled by representatives of Belgium, Brazil, Spain, and Greece. The majority contemplated in favour of the Great Powers was of course destroyed by the withdrawal of the United States, but the second paragraph of the article gave power to appoint further permanent members of the Council, subject to the approval of a majority of the Assembly. This clause was no doubt intended to provide for the inclusion of Germany (and possibly Russia) at a later stage, and, as part of the Locarno settlement, and a condition of the entry of Germany into the League, it had been agreed that she should be granted a permanent seat on the Council. In March 1926 a special session of the Assembly was summoned to give effect to these arrangements.

In order to understand the difficulties which now arose, it is necessary to recognize that the Council, as constituted, was definitely a compromise between the democratic theory of the League and the practical survival of a Concert of Great Powers, without whose approval the new order could not be expected to work. Though permanent and non-permanent members met in the Council on a footing of technical equality, the existence of a class distinction in the international hierarchy was implicit in the arrangement; it was, moreover, evident that the permanent members were far less dependent on international public opinion than those whose re-election depended upon a vote of the Assembly. At the Second Assembly a system of rotation for appointment to non-permanent seats had been approved, but its adoption remained in abeyance pending the ratification of an amendment to Article 4, which would enable the Assembly to establish this rule by a two-thirds majority. The number of non-permanent seats was, however, raised from four to six by a decision of the Third Assembly.

Of these six seats the first three had been held continuously by the original members, Belgium, Spain, and Brazil, who by the delay in the adoption of a system of rotation had

thus come to occupy an intermediate relationship of semi-permanency. Moreover, once the existence of classes in the hierarchy of states was admitted, it became apparent that these classes could not be restricted to two, but that there was an even greater distinction between, for example, Poland and Haiti, than between the former and the Powers to whom permanent seats had been allotted. There was thus an opportunity for the display of considerable jealousy the moment that the question of a new permanent seat was raised by the proposal in regard to Germany. Claims to further permanent seats were put forward by Spain, Brazil, and Poland and—provisionally—China, and since the first two were members of the existing Council they were in a position to block the appointment of Germany failing the acceptance of their claim. In regard to Poland, it is fair to say that her claim was not based on a mere question of *amour propre*; she feared the influence of Germany in the Council on the question of treaty revision unless she could also be represented. But a deadlock was thus created which rendered the special meeting of the Assembly abortive, and the election of Germany had to be postponed. The question of the composition of the Council was then relegated to a committee, which eventually adopted a compromise suggested by Lord Cecil, raising the number of non-permanent seats to nine, of which a third should be re-eligible on a decision of a two-thirds majority of the Assembly, thus creating an intermediate class of semi-permanent members, which, it was hoped, would satisfy the susceptibilities of the claimants for superior status. In June 1926 the ratification of the amendment to Article 4 by France and Spain made it possible for the Assembly to adopt the new procedure by a two-thirds majority. Poland accepted the situation, and has since been rewarded by the possession of one of the semi-permanent seats. But Spain and Brazil maintained their intransigence, and, though they refrained from continuing to withstand the desires of the remaining states members, they voiced their dissatisfaction by notifying their withdrawal from the League. Spain was later induced to reconsider this decision, but Brazil remained obdurate and her resignation took effect after the prescribed lapse of two

years. The proposed regulations relating to the election of the nine non-permanent members were thereupon adopted at the ensuing Assembly, and Germany was admitted to membership with a permanent seat on the Council.

The United States and the Permanent Court

Though the United States never ceased to maintain their opposition to the idea of associating themselves in the League of Nations, American public opinion for some time increasingly favoured the policy of adherence to the Permanent Court of International Justice, which the League had set up in conformity with Article 14. In 1924 such adherence had become a plank in the platforms of both the great political parties, and on January 27th, 1926, the Senate consented to adherence subject to certain reservations. The outlook at this point was therefore generally regarded as promising.

Adherence to the Court without membership of the League had been rendered possible by the provision of a Protocol of Signature open to all states mentioned in the Annex to the Covenant, which included the United States and 'States invited to accede'. On the other hand, the opponents of adherence professed alarm at the intimate connexion between the Court and the League, and, in particular, at the obligation of the Court to render an advisory opinion on any question referred to it by the League Council or Assembly, which gave it, in their view, the character of the League's private attorney. For this reason, the reservations proposed by the Senate included, *inter alia*, a stipulation that the Court should not, 'without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has *or claims* an interest'. This reservation, which purported to be based on the decision of the Court itself in the East Karelia case (see p. 70), went in fact considerably beyond it. For Russia in that case stood not only outside the League and the Court, but refused to submit to its jurisdiction, whereas, *ex hypothesi*, the United States, though not a member of the League, would be, so to speak, one of the fellowship of nations

which had agreed on this method of resolving international issues. In any case the italicized words, *or claims*, went much further than the decision relied on would warrant. The United States, by the mere assertion of a quite unfounded claim of interest, would have been in a position to exercise their veto in questions on which the League and the parties directly concerned ardently desired an opinion.

The United States do not seem to have anticipated that the League itself would intervene in the question of their accession to the Court. They desired in every way to treat the Court and the League as separate and independent organizations, and intended to effect their accession by direct interchange of notes with the states signatory to the Protocol. They were therefore disappointed and annoyed when the Council referred the question of the reservations to a conference of the states signatory to the Protocol, thus asserting its interest in the matter. They protested that the language of the reservations was 'plain and unequivocal', and that the proposed conference was therefore unnecessary, and refused, on that ground, to attend it. The Conference, however, assembled at Geneva, and considered the reservations for a length of time which in itself suggested that their meaning was not so clear as their author imagined. Eventually it was unanimously decided that the reservations, in their existing form, could not be accepted. The United States refused to modify them, and their hoped-for accession to the Permanent Court did not, therefore, take place. The failure gave rise to a good deal of mutual recrimination, but it was ultimately traceable to an irreconcilable difference in points of view. 'The one party thought of the Permanent Court as a vital organ of a League representing *in posse* all nations of the world; the other thought of it as only incidentally and superficially connected with the League, which it regarded as a regional organization of a limited scope and, possibly, of a transient character'.¹ The United States had, however, themselves contributed to giving the League the regional character which they ascribed to it, by their own abstention and the interpretation which they applied to the Monroe Doctrine in

¹ *Survey of International Affairs*, 1926, p. 95.

relation to League intervention in the affairs of the American continent. It remains to add that the project of American adherence to the Permanent Court was not finally disposed of by these events, but was destined later to be revived.

XIII

INTERNATIONAL RELATIONS ON THE AMERICAN CONTINENT

American Conferences

IT is at least arguable that a regional subdivision of the world is a better and more manageable system than that contemplated in the oecumenical conception of the League of Nations. What the South American republics objected to in the current interpretation of the Monroe Doctrine was that it tended to reverse the original intention of that declaration by subjecting them to the hegemony of a Great Power. Had it been, as the Covenant of the League suggested, a 'regional understanding', the Latin American states would probably have preferred to regulate their affairs in accordance with it, rather than to turn to Europe: this course they had only adopted as a counterpoise to the increasing domination of the United States.

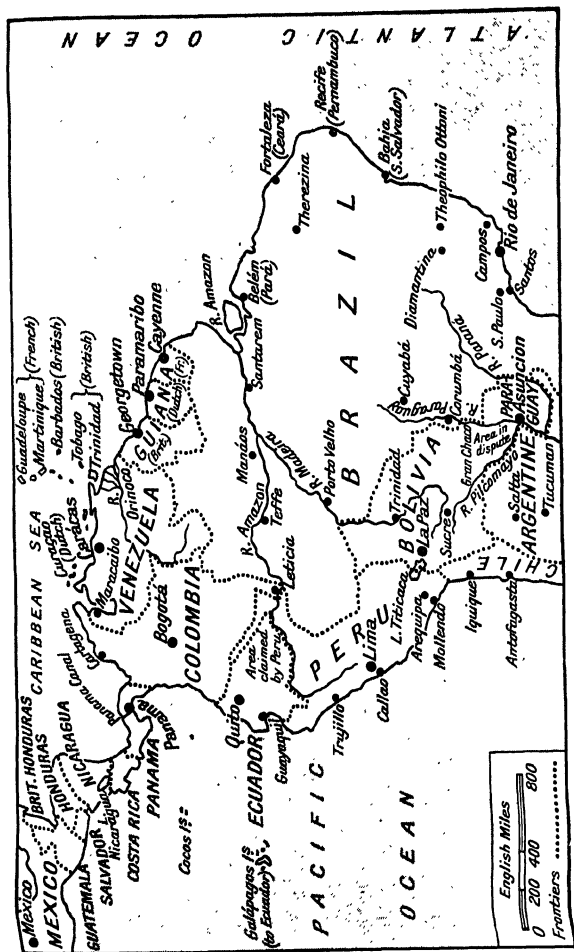
There was already in existence a regional system which, re-moulded to their heart's desire, the American republics were all prepared to accept as an alternative to the League. This instrument of international collaboration consisted of a series of loosely organized Pan-American conferences, which had met, generally at quinquennial intervals, since 1889. Pan-Americanism was thus an older and more established check upon international discord than the world-wide system inaugurated at Versailles.

The first of these conferences to assemble after the War was held in 1923, but, in spite of an ambitious agenda, its results were on the whole disappointing. Its principal achievement was the adoption of a convention for the submission of disputes, which had proved insoluble through diplomatic channels, to an independent Commission of Inquiry, pending whose report the parties undertook to refrain from hostilities. Underlying the comparative failure of the Conference were the irreconcilable conceptions of Pan-Americanism held by the United States and the Latin American Republics; the

latter desiring to mould the movement so as to secure equality and liberty, while the former were bent on maintaining decisive control. Suspicion of the new interpretation of the Monroe Doctrine became more vocal immediately after the termination of the Conference.

A more solid result was achieved at a Conference on Central American Affairs which met in Washington, D.C., in December 1922. An attempted federation of the five republics of Central America, which had actually got as far as a Treaty of Union, had broken down in January and February, and the Conference, which was convened on the invitation of the United States to consider the situation, reached agreement upon a number of points which were embodied in twelve conventions and signed by all the republics participating. The most important of these were an agreement for limitation of armaments and a general treaty of peace and amity, under which the signatories bound themselves to submit differences to a Central American Tribunal or to a Commission of Inquiry, with some important reservations excepting disputes affecting their sovereign and independent existence, or their honour or vital interests, which went far to limit the practical effects of the instrument. Of more immediate importance, in the political circumstances usual in Central America, was an agreement not to recognize a revolutionary government which was not constitutionally authorized or elected, to abstain from interference in civil wars or the internal affairs of neighbours, and not to allow the territory of a signatory state to become the base of revolutionary activity directed against the government of another.

The sixth Pan-American Conference was held in Havana, in 1928, under the shadow of the events in Nicaragua which are narrated later in this chapter. It was natural, therefore, that some of the features on its agenda should suggest an endeavour to reduce the influence of the United States in the affairs of Latin America. The convention in which the constitution of the Pan-American Union was given a permanent basis emphasized the juridical equality of the member states, and considerable support was obtained for a motion condemning interference by one nation in the internal affairs of



another. Yet the delegation of the United States contrived to emerge victorious from the encounter, and the Conference has more solid claims to be remembered on account of its resolutions, moved by the Mexican representative and unanimously adopted, prohibiting aggressive war, and expressing the intention to apply pacific means of settlement to all disputes which might arise. These resolutions were implemented, at a special conference called in December of the same year, by three instruments setting up complete machinery for the pacific settlement of disputes by conciliation and arbitration. The Pan-American Union has therefore the credit of anticipating the Kellogg Pact by some months, but it must be added that the signature of the arbitration convention, on January 5th, 1929, was accompanied by reservations which effectively excluded practically all the territorial disputes to which the signatories were or were likely to be parties.

Boundary disputes in Latin America: Tacna-Arica

This was the more unfortunate, inasmuch as South and Central America were afflicted, in the years following the European War, by an epidemic of boundary delimitations, frequently accompanied by quarrels of a more or less serious kind. Recent commercial developments had imparted a value to regions in which no country had hitherto taken a very lively interest, and, though many of these questions had been pending for a long time, it was only now that they assumed practical importance. Many of these matters were amicably adjusted without difficulty, but others proved more intractable.

Of these, one of the most important was the Tacna-Arica dispute, between Chile, Bolivia, and Peru. The abortive appeal of the last two parties to the League of Nations has been mentioned in the previous chapter. The rejection of the Bolivian application, which involved revision of a treaty, occasioned the withdrawal of that country from direct participation in the controversy. The facts, as between Peru and Chile, were briefly as follows: By the Treaty of Ancon (1883) it was stipulated that the provinces of Tacna and

Arica, formerly held by Peru, should remain in Chilean occupation for ten years, after which their fate was to be settled by a plebiscite, the winner paying monetary compensation to the loser. Circumstances continually postponed the plebiscite, and meanwhile Chile consolidated her position by colonization and deportation. Peru became consequently less inclined to resort to the plebiscite in proportion as her neighbour came to favour it. In December 1921 Chile invited Peru to hold a plebiscite, and the latter, in refusing, suggested arbitration under the auspices of the United States. Chile, after some demur, accepted this proposal. In January 1922 an agreement was signed, referring the matters in dispute to the arbitration of the United States, including the question as to whether a plebiscite should be held. In March 1925 the arbitrator issued his award, deciding in favour of the plebiscite. This decision was received by Peru with consternation. Strangely enough, however, it was the Chilean Government which impeded the execution of the decision, by a resort to measures of intimidation and forcible deportation of Peruvian voters. As a result, the plebiscite was abandoned, and, after further endeavours on the part of the United States to arrange a settlement on other lines, the two parties were left to continue direct negotiations from October 1928. Eventually it was agreed to divide the territory in dispute, and a treaty was concluded in July 1929 embodying this solution.

Bolivia-Paraguay

An even more serious dispute, though later in coming to a head, was that between Bolivia and Paraguay. The bone of contention in this case was the Chaco Boreal, a wedge of territory, about 116,000 square miles in extent, in the angle formed by the confluence of the Paraguay and Pilcomayo rivers. The whole area had been included in the Spanish *audiencia* of Charcas, with which the republic of Bolivia claimed territorial identity, but there was some confusion in the title owing to administrative changes in 1776 and 1783, on which Paraguay based its claim to lands west of the Paraguay river. The main difficulty, however, here as elsewhere,

arose from the fact that until recently the tract had been regarded as of little value, and that such penetration as had taken place had come from the Paraguayan side. But of late there had been rumours of oil, and other better authenticated natural resources had become an object of interest to foreign investors, some of whom had been granted concessions from the Paraguayan Government. At the date of the crisis of 1928 the territory was still mainly inhabited by Indians.

The boundary dispute was, however, of long standing, and a series of unratified agreements from 1879 onwards served only to confuse the issue by their variations of the frontier. Both sides had established a number of small forts, facing one another in the disputed territory. The situation was thus pregnant with explosive possibilities when, in 1927, Argentina offered her good offices with the object of achieving a settlement. Negotiations, however, broke down, and on December 5th, 1928, the world was shocked, if hardly entitled to be surprised, by a Paraguayan attack upon the Bolivian Fort Vanguardia, which incidentally lay far to the north of any of the numerous frontiers which previous negotiations had provisionally awarded to Paraguay. The Paraguayan Government, to do it justice, hastened to repudiate the action of its soldiers, and to suggest the application of machinery for peaceful settlement. Bolivia refused this overture, severed diplomatic relations, and on December 16th retaliated by the capture of a Paraguayan post, Fort Boqueron. These events had occurred while the Council of the League and the Pan-American Conference on conciliation and arbitration were simultaneously in session. Both bodies promptly intervened, even before the date of the Fort Boqueron incident. The immediate effect was satisfactory, for on December 18th it was reported that both parties had accepted the good offices of the Pan-American Conference. For the time being, the League heaved a sigh of relief and gratefully relinquished the control of the matter to American hands.

Under the terms of a protocol signed at Washington on January 3rd, 1929, a Commission of Inquiry and Conciliation was set up, consisting of representatives of the parties and five neutral American countries. The Commission met in March,

and in September settled the immediate controversy by the adoption of a resolution of mutual forgiveness on the basis of the *status quo ante*. The frontier question, however, remained unsettled, and fresh fighting occurred as early as January 1930. But both parties still professed pacific intentions, adopting the usual excuse of schoolboys detected quarrelling — 'Please, sir, he began it'. Peace was for the time being restored, but in July 1931 there was a fresh rupture of diplomatic relations, and a year later the attention of the League of Nations was once more called to the existence of hostilities, which continued intermittently from this time forward. On May 10th, 1933, the last veil was removed from the true character of the situation when Paraguay formally declared war on Bolivia. In July a commission was set up by the League to examine the dispute, the inquiry being subsequently transferred, at the request of the belligerents, to the governments of Argentina, Brazil, Chile, and Peru. In February 1934 this commission submitted a draft treaty of peace and arbitration to the parties, but at the time of writing (July 1934) war still continues. On May 24th the Bolivians claimed a great victory and the infliction of some 18,000 casualties on their opponents, besides the capture of over 1,000 prisoners. A week previously, Mr. Eden, on behalf of the British Government, proposed the imposition of an arms embargo on the belligerents, and this proposal is still under consideration at the time of writing. The fortunes of Bolivia seem later to have waned, for on June 11th that country appealed to the Council of the League to refer the dispute to the Assembly under para. 9 of Article 15. It seems a question whether external intervention can now produce a settlement before a military decision is reached. In this episode, therefore, neither the regional system favoured by the United States, nor the world-wide system of Geneva, can point to any substantial success either in averting or in ending war.

Peru and Colombia

Another frontier dispute which necessitated the intervention of the League was that between Peru and Colombia.

In this case there exists no possibility of doubt as to the juridical rights of the parties. By a treaty signed in 1922, in return for reciprocal recognition of Peruvian claims north of the Putumayo river, Colombia became entitled to a strip of territory contiguous with the Brazilian frontier, a sort of Colombian corridor giving her access to the waters of the Amazon. This treaty, after many vicissitudes, was ratified by Colombia in 1925 and by Peru in 1928, and was registered with the Secretariat of the League on May 29th of the latter year. The final delimitation on the ground was completed in August 1930.

Within the new Colombian frontier, where the boundaries of Brazil, Peru, and Colombia meet on the Amazon, stood a collection of thirty or forty huts known by courtesy as the town of Leticia. The reader will have difficulty in finding it on any map constructed prior to 1932. On the night of September 1st of that year, some Peruvian filibusters made history by seizing the town and remaining in occupation. Their action was at once repudiated and condemned by the Peruvian Government, but the authorities of the Peruvian department of Loreto not only dissociated themselves from the official attitude, but contributed support and assistance to the raiders. Colombia took steps to evict them, but, owing to the impassable nature of the country, had to proceed by the Panama Canal and up the Amazon, a roundabout journey involving a delay of several months.

The Peruvian Government meanwhile changed its attitude, under pressure of public opinion, and began to talk of treaty revision and the right of self-determination. By November, the imminent prospect of war induced the republic of Ecuador to notify the League of Nations, which, however, took no action until January 1933, when these representations were reinforced by a communication from Colombia. On January 14th the President of the Council sent a telegram to both parties recalling their duty as signatories of the Covenant. A protracted discussion followed, during the progress of which the Colombian flotilla was bombed by Peruvian aircraft, but succeeded in recapturing the town of Tarapaca, which the Peruvian forces had also occupied (February 1933). The

President of Peru sent a message to the force in Leticia, declaring that Peru would keep that town in face of any opposition. Colombia thereupon appealed to the League to summon a meeting of the Council under Article 15, and the Council accordingly met on February 21st. On March 18th the Council adopted a report, condemning the action of Peru, and recommending their immediate withdrawal from Colombian territory, the effect of which was to cause the Peruvian delegate to leave the Council room, after an ineffectual protest. Hostilities meanwhile continued.

On April 30th, however, the murder of the Peruvian President brought about an improvement in the atmosphere, and on May 25th an agreement was signed for the immediate cessation of hostilities, and for the administration of the territory in dispute by a League Commission for a period not exceeding one year, at the expense of the Colombian Government and with the aid of Colombian forces. The Commission took charge in June 1933, but negotiations between the parties broke down in April 1934, and both sides recommenced military preparations. On May 24th, 1934, however, an agreement was signed by the parties which would appear to constitute a durable settlement. It included a protocol of friendship and co-operation, and an expression of regret by Peru for the strained relations which her conduct had occasioned. The future rights of the two countries were based upon the treaty of March 1922, and it was agreed that its conditions should only be modified by mutual consent or a decision of the Permanent Court of International Justice.

Relations between Mexico and the United States

The history of the Leticia dispute suggests that the United States has, in recent years, somewhat modified the objections which it evinced at an earlier date to the interference of the League in America. Probably matters of this kind have been shown to be so intractable that the task of dealing with them is no longer coveted. It is, however, in Central rather than South America that the United States has exercised a jealous and exclusive control. Over most of the states of the former region it has tended to assert a virtual protectorate; Mexico,

however, has been able to maintain its independence, and constitutes, therefore, an important exception.

The dictatorship of Porfirio Diaz, which had encouraged the penetration of foreign capital both from America and Europe, was ended in 1911 by a revolution of an extremely anti-capitalistic tendency. The new constitution of 1917, which vested the land and subsoil in the nation, brought the Mexican Government into immediate conflict with foreign concessionnaires and landowners. The Government took over the whole railway system, including lines which were foreign property, and ceased, for the time being, to pay its external debt. The oil industry came to a standstill, and there was agitation in the United States in favour of armed intervention. Negotiations, which had achieved some measure of success during the presidency of Carranza, had to be recommenced after his assassination, in 1920, with his successor, President Obregon. Though the latter showed an unexpected readiness to honour international obligations, and satisfactory agreements were reached in 1922 for the payment of interest and arrears on the foreign debt and the return of the railways to their owners, adequate protection of the interests of concessionnaires and landowners was not attained for some time; in 1923, however, the main legal difficulties were satisfactorily adjusted, and formal recognition was extended to the Mexican Government by the United States.

In spite, however, of this achievement of a *modus vivendi*, foreign interests remained a matter of acute controversy between the two governments for many years, indeed the relations between revolutionary Mexico and so essentially capitalistic a Power as the United States continued to show a marked resemblance to the contemporary situation existing between Bolshevik Russia and western Europe. A further problem was created through the marked increase in Mexican emigration to the United States which followed upon the restrictions imposed by the Acts of 1921 and 1924 upon immigration from overseas. As in the analogous case of France and Fascist Italy, this influx was not wholly industrial, but consisted to some extent of political *émigrés*, whose counter-revolutionary activities threatened to disturb the

relations of the two countries. To some extent, however, the existence of this counter-revolutionary movement was an advantage to the United States, for the existing régime was only preserved through a prohibition placed by President Coolidge upon the export of arms to Mexico, except to the recognized Government. By lifting the embargo or suspending the exception, the Government of the United States was in a position at almost any moment to threaten the life of the Mexican administration; this fact gave to their negotiations an invaluable support. Yet the continuance of so many sources of friction, and the fundamental incompatibility of the political and economic ideals of the two countries left their relations in a state of considerable tension.

Events in Nicaragua

The antagonism of the two Powers was exposed in 1926 by events which took place on the soil of Nicaragua, a typical Caribbean republic with a characteristic history of alternate dictatorship and revolution under a mask of democratic party government. Until 1910 Nicaragua had been left to enjoy these political institutions without external interference, but about that time she had the misfortune to become an object of special interest to the United States for two main reasons. The first, which was common to the whole Caribbean area, was the growing demand for tropical raw materials; the second was special, and due to a topographical feature of the country. Across almost the whole width of the republic from east to west was a natural waterway consisting of the great Lake Nicaragua and its outflow to the Caribbean; it formed, therefore, a possible route for a second inter-oceanic canal, alternative or supplementary to that through Panama. Such a canal was in contemplation, and it was a fundamental tenet of United States policy that, if and when constructed, it must be under United States control. These considerations may possibly have had something to do with the fact that in 1909 a revolution was fomented by a clerk in an American oil company, named Diaz, who contributed to the campaign fund a sum six hundred times as large as his salary, and who had the satisfaction of seeing the cause which he supported

carried to triumph with the material assistance of United States naval forces. In 1916 Diaz himself was rewarded by becoming Vice-President of the Republic, and he was made President soon afterwards. His administration was, however, threatened with another revolution in 1912, which was put down by United States marines, a guard of whom remained from that date until 1925, ostensibly for the protection of American lives and property.

One good turn deserves another, and in 1914 a treaty was negotiated between the United States and Nicaragua whereby the former received in perpetuity the exclusive right to construct a canal across Nicaraguan territory and a ninety-nine years' lease (with option of renewal) of a site for a naval base on the Pacific coast bordering on the Gulf of Fonseca. It was at the same time agreed that an approved citizen of the United States should be appointed Collector-General of the Nicaraguan Customs, be made responsible for the service of the external debt, and be empowered to take over the collection of internal revenue if it fell below a specified figure.

In October 1924 a presidential election resulted in the return of a Conservative President and a Liberal Vice-President, Señor Sacasa. The withdrawal of the United States marines in August 1925 was almost immediately followed by a *coup d'état*, carried out by the Conservative General Chamorro, as a result of which the Liberal Vice-President fled the country, while the President, in January 1926, resigned in Chamorro's favour. This transaction, however, in accordance with the General Treaty of 1923 (see p. 196), was not recognized either by the United States or the adjacent Caribbean republics. In a few months, a Liberal revolution had imparted its familiar touch to the Nicaraguan political situation.

At this juncture General Chamorro telegraphed, on August 27th, to the League of Nations a complaint that the Mexican Government was assisting the Liberal revolutionaries. Three days earlier, however, the Secretary of State at Washington had requested the dispatch of a squadron to Nicaraguan ports 'for the protection of American and foreign lives and property'. The force requested arrived and landed

200 men at Bluefields in time to avert any interference by the League on Chamorro's behalf or the equally unpalatable alternative of a Liberal victory achieved with Mexican support. General Chamorro was simultaneously pressed to resign, in a note addressed to him by the U.S. State Department.

In November the good offices of the United States *chargé d'affaires* had succeeded in regularizing the Conservative administration by the withdrawal of Chamorro, and the election by a Congress, which appears to have been packed, of Señor Diaz to a new term of office as President. A constitutional point of some nicety was thereby raised, for an emergency candidate of this kind was only eligible in default of the Vice-President, who would otherwise succeed automatically to the presidential vacancy. Sacasa, the Vice-President of 1925, had never relinquished his office, but had merely been temporarily excluded from the country by *force majeure*. He had returned on December 1st, within a month of Diaz's election, and was proclaimed President by his Liberal supporters, his claim receiving official recognition from Mexico.

The juridical merits of the rival claims need not detain us, since the plain fact was that at this point Diaz and Sacasa had become pawns in a game played by the United States and Mexico on the soil of Nicaragua. The Mexican revolution of 1910 was, in essence, a revolt against precisely such a policy of economic imperialism as the United States was pursuing in Central America. As has appeared in a previous section, Mexico was not powerful enough permanently to resist her neighbour's claims on behalf of United States capitalists on Mexican soil, but the existence of competing factions in Nicaragua seemed to offer a favourable opportunity for interfering with the hegemony of the United States in an important sphere of influence. Such, at any rate, are the motives commonly imputed to Mexico in the course which she pursued.

The policy of both protagonists must, indeed, remain to some extent a matter of speculation, for the intervention of United States troops, which from this point increasingly

hampered the efforts of Sacasa's party, was never officially admitted to have had any other purpose than the stereotyped 'protection of American lives and property'. Appeals for protection were certainly made, not only by Americans but by the representatives of other foreign Powers. But the progress which the Liberal forces made during the close of 1926 resulted in a striking augmentation of those of the United States in the first three months of 1927.

Public opinion in the United States had meanwhile grown increasingly critical of these developments, and at the end of March President Coolidge dispatched Mr. Stimson to Nicaragua to endeavour to secure a settlement. This he eventually achieved, by the middle of May, on the understanding that a free and fair election should be held, on the conclusion of President Diaz's term of office in 1928, under the supervision and control of the United States. On the strength of this agreement, the majority of the Liberal insurgents laid down their arms, but the provisions for United States control were criticized as unconstitutional both in Nicaragua and Washington, ratification of the electoral arrangements by the Nicaraguan Congress had eventually to be dispensed with, and the matter regulated, with questionable legality, by a presidential decree. In May 1927 a conference of the four remaining Caribbean republics condemned Mr. Stimson's terms as irreconcilable with the General Treaty of Peace and Amity of 1923 (see p. 196), and withheld, on that ground, their recognition from Señor Diaz: a step which, though of no practical importance, was a strong moral protest against the policy pursued by the United States.

The latter, meanwhile, were involved in fresh and more serious trouble. One of the insurgent commanders, General Sandino, had remained recalcitrant; and he now began a guerilla warfare against the United States troops, which necessitated considerable reinforcements, and continued for nearly two years. Indeed, though Sandino temporarily withdrew to Mexico during the later part of the year 1929, and the U.S. Marine Expeditionary Force was considerably reduced in numbers during the same year, there was a

recurrence of trouble in April 1931, which necessitated the intervention of two United States warships. By 1929, however, the policy of Washington was to extricate itself as far as possible, and to leave the control of internal order in the hands of the Nicaraguan National Guards, under United States officers.

The elections of 1928 had meanwhile resulted in a decisive Liberal majority, and the new President, General Moncada, though personally on good terms with the United States Government, was actually one of Señor Sacasa's principal supporters in the previous struggle. In January 1929 Señor Sacasa himself was appointed Nicaraguan Minister in Washington, a denouement which, while indicating more friendly relations between his party and the United States,¹ were also the aspect of a rather ironic commentary on the situation.¹

The Panama Treaty

The Nicaraguan affair did not add to the prestige of the United States in Latin America, and indeed conduced to strengthening the resentment with which their claims to hegemony were regarded. A striking instance of these reactions was the gesture of independence made by Panama in refusing to ratify a treaty concluded with the United States in 1926. This little republic had perhaps been more completely divested of the attributes of independent sovereignty than any other. In regard to the canal zone, absolute sovereign rights were openly claimed by the United States as the result of the Treaty of 1903, by which the use, occupation, and control of the zone were secured. The Treaty of 1926, which was designed to make the situation clearer, went so far as to stipulate for the participation by Panama in any war in which the United States might be engaged, a provision difficult to reconcile with the status of Panama as a member of the League of Nations, and marked in other ways a considerable tightening of the United States control over this Central American republic. The treaty was, however, duly signed in

¹ On January 2nd, 1933, the last of the United States marines left the country.

July 1926, but the premature publication of its terms, at a time when the Caribbean policy of the United States was a special subject of suspicion and resentment, led to a refusal to ratify the instrument. Further negotiations were proposed, and the Finance Minister of Panama, in a public utterance, offered to submit the question of sovereignty over the canal zone to arbitration; to this, however, the Government of the United States was quite unwilling to agree, and for the time being the whole question remained in abeyance.

The United States and Haiti

The Nicaraguan experience, indeed, appeared to lead to a modification of policy on the part of the United States. After the arrival of Mr. Dwight Morrow as U.S. Ambassador in Mexico in 1927, the United States oil companies were warned that their differences with the Mexican authorities were likely to be left to the negotiation of the parties and the decisions of the Mexican courts without the assistance of diplomatic pressure. Generally, the U.S. State Department evinced less readiness than formerly to champion the cause of its citizens in other parts of America, and in 1931 it went so far as to advise them that the Government could no longer undertake their protection in Nicaragua. The beginning of this change of policy approximately synchronized with the publication, in December 1928, of a memorandum on the Monroe Doctrine prepared by an eminent American international lawyer, Mr. Reuben Clark, at the request of the Secretary of State. This interpretation tended to restore to the Doctrine its original significance as a 'shield between Europe and the Americas', and repudiated the intention of using it as a pretext for intervention in the affairs of other republics on the continent. 'The Doctrine', it said, 'states a case of the United States *versus* Europe, and not of the United States *versus* Latin America.'

A region hitherto particularly subject to the control of the United States, which was destined to derive a new freedom from the change in policy, was the black republic of Haiti. Since 1915, Haiti had been virtually a protectorate of the United States, who had found a pretext for intervention in

the violation of the French Legation by a mob which had dragged out a Haitian ex-president from its sanctuary, and torn him to pieces. Interference was justified under the Monroe Doctrine as necessary to forestall similar action by France, though such action, in the middle of the Great War, does not appear to have been probable. Since 1915, the island republic had been governed by a United States High Commissioner, assisted by five other American officials, and supported by a force of marines. In 1929, however, dislike of certain aspects of United States policy, especially the removal of the ban on acquisition of land by foreigners, and the Americanization of educational methods, led to a disturbance, in consequence of which a Commission was appointed, in February 1930, to investigate when and how the United States should withdraw from Haiti, and their policy in the interim. This Commission reported in favour of the progressive Haitianization of the services, to fit the departments of the Government to assume responsibility in 1936, the abolition of the office of High Commissioner and the substitution of a non-military Minister to combine his duties with those of diplomatic representative, the gradual withdrawal of the marines, and the negotiation of agreements providing for less intervention in Haitian domestic affairs in the future. The grievances connected with the educational system were at the same time independently investigated by another commission. As a sequel to these investigations, the United States troops refrained from supervising the elections which took place in October 1930, and these passed off without serious disorder.

In November of the same year a Minister appointed by the United States arrived in Haiti, and the High Commissioner was withdrawn. This was followed up, in September 1932, by the signature of a treaty, which, however, the Haitian Assembly rejected on account of certain alleged ambiguities. On August 7th, 1933, a new agreement was signed, which, while continuing the financial administration previously set up to ensure service on some outstanding bonds, provided for the complete withdrawal of American forces by October 1934.

The Philippines

The most ironical example of the conversion of the United States from imperialistic ideals was afforded by the Philippines, the annexation of which at the close of the nineteenth century had inspired Mr. Kipling's poem, 'The White Man's Burden'. From 1929 onwards, a policy designed

To seek another's profit
And work another's gain

did not appeal to American industrial interests, who found their own products exposed to competitive exports from the islands. A Bill introduced in 1929, to confer independence, and consequent subjection to tariffs, upon the Philippines, was only rejected by the narrowest of margins, and between December 1931 and February 1932 ten Bills with the same object were introduced in Congress. One of these was passed at the end of 1932, but was vetoed by President Hoover in January 1933, on the ground of the injustice to the islanders involved in so sudden a change in the conditions of their economic life. The veto was, however, overridden by large majorities in both Houses, but the Bill was rejected by the Filipino legislature. There was thus a curious reversal of the policies originally advocated by the United States and the islanders respectively.

Cuba and the United States

The complete aversion of the United States from the policy of intervention which they had formerly pursued was clearly brought out by the attitude of the Roosevelt administration during the disturbances which broke out in Cuba during the year 1933. Cuba had long been ripening for revolution as a result of a severe economic depression, connected particularly with the decline of her trade with the United States. American purchases of Cuban products had declined from 207 million dollars in 1929 to 58·3 millions in 1932. This conduced to the unpopularity of the existing administration, which, moreover, kept itself in power by methods hardly calculated to enhance its popularity. By the arrangement known as the Platt Amendment of 1901, the United States were fully entitled to

intervene in Cuban affairs 'for the maintenance of a government adequate for the protection of life, property, and individual liberty'. Yet when American efforts at conciliation proved unsuccessful, and two revolutions broke out in quick succession in 1933, the Government of the United States showed itself most reluctant to intervene. Warships were dispatched on two occasions, but were withdrawn as soon as possible, and active interference in the fighting which took place on the island was carefully avoided. President Roosevelt invited a conference with the diplomatic representatives of the leading South American states and Mexico, and expressed to them his extreme reluctance to engage in intervention. The non-existence of a government fit to be recognized placed great obstacles in the way of the conclusion of a trade agreement with Cuba, which was calculated to ease the economic tension, and it was felt in many quarters that the rights conferred by the Platt Amendment were more of a hindrance than a help. At the close of 1933, the President was reported to be considering the abrogation of the Amendment as a step towards the improvement of relations. The United States had, by this time, enough to do to deal with their own internal situation, but it had also become evident that any suggestion of pressure on their part in the affairs of other states in Latin America or the Caribbean islands tended to produce a widespread resentment which would defeat its objects.

XIV

NATIONALISM, ZIONISM, AND THE ARAB

Growth of Pan-Arabian Aspirations

AS that great authority, the late Dr. Hogarth, pointed out in his *History of Arabia*,

'Arabia, as a regional name, has different acceptations: some confine it to the Peninsula, some include the great wedge of desert prolonged to an apex between Syria and Mesopotamia far north of that thirtieth parallel which roughly subtends the peninsular mass.'

Even this exclusion of Syria and Mesopotamia is, in a sense, artificial. To the Arab mind, the 'Jaziratu'l-Arab'—the island or peninsula of the Arabs—comprises the whole region as far north as the present frontier of Turkey, bounded on the east by Persia and on the west by the Mediterranean.

Before the War, the whole of this region, as well as Egypt, to which the cultural unity of the Arabic-speaking world extends and from which it draws its inspiration from books and newspapers printed in Cairo, was subject to a single sovereignty, that of the Ottoman Empire. Yet, under the policy of *divide et impera* which actuated the Turkish régime, this superficial unity was counterbalanced by the fact that the Arab population comprised in the area was broken up into a large number of mutually hostile tribes, none of which possessed or claimed more than a very limited share of the territory. The idea of a united Arabian Empire first received overt expression in the claims which the Sherif of Mecca made in his negotiations with Great Britain in the early stages of the War.

In the situation apparent in 1925-6, there was an equal contradiction between the superficial and the essential position, but the contrast was reversed. The single sovereignty had been subdivided into the four states of the Syrian mandate—Great Lebanon, the Alawi, Syria proper, and the Jebel ed Druse; Palestine and Transjordan to the south of these, and to the east Iraq; while in the Arabian peninsula there

were at least two independent sovereignties, the Nejd-Hijaz, and the Yemen. There seemed at first sight to be no vestige of Arabian unity. But, in fact, the combined effects of improved communications and the nationalist ideal encouraged by the Peace Settlement had given the conception of such a unity a reality which it had never had before. An Arab movement in Palestine or Syria was for the first time capable of producing immediate reactions as far away as Baghdad.

Risk of a 'Holy War'

At the same time, the traditional bellicose proclivities of the Arab had been diverted into more serious channels. Hitherto the constant and internecine raiding of nomad tribes had been, as Professor Toynbee has put it,¹ 'not so much a form of warfare as a wasteful redistribution of stock conducted with the amenities of a sport', a 'traditional method of easing . . . economic stresses', which the new conditions had rendered less practicable. The economic stresses remained, but the consolidation of the greater part of the Arabian peninsula into a single kingdom had familiarized its inhabitants with a larger and more scientific conception of warfare: they had absorbed some experience of western military technique, and the acquisition and adoption of Western armaments seemed only to be a question of time. Taken with the growing sense of Arab homogeneity which the prevalent nationalism, the improvement in communication, and the diminution of tribal warfare promoted, there seemed a danger that for the comparatively harmless raids of the past would be substituted a 'Holy War', waged against the foreign control which had partitioned the territory of greater Arabia.

Relations with the Nejd-Hijaz

That this was not merely a theoretical possibility was soon rendered evident by the attitude of some of the subordinate chiefs of the Wahhabi Kingdom. The puritanical fanaticism of Ibn Saud's subjects combined with their cupidity and warlike propensities to reinforce economic motives with

¹ *Journal of the Royal Institute of International Affairs*, 1929, p. 367.

religious. In the autumn of 1926, Faysal ud Dawish, the most redoubtable of the Wahhabi captains, joined with the chief of another tribe to request from Ibn Saud permission to launch a Jihad against all non-Wahhabis, and in April of the following year he returned, in company with about 3,000 fighting men, to repeat the demand, suggesting on this occasion that his sovereign was 'allowing himself to be tempted by worldly interests into neglecting the interests of God'.

It was fortunate that Ibn Saud continued to maintain his friendship with Great Britain. As the result of negotiations with Sir Gilbert Clayton at Jidda, a treaty was signed in May 1927, superseding that of 1915 which had hitherto governed the relations between the two countries. This instrument, which recognized the complete independence of the Wahhabi ruler, and was drawn between the parties on an equal footing, in terms of reciprocity, provided for the suppression in each territory of unlawful activities directed against the peace of the other, and safeguarded the interests of Kuwait and the coastal chiefs under British protection. In February 1927 Ibn Saud had fortified himself with a legal opinion obtained from the 'ulamā of Nejd, which, while returning a reactionary answer on subordinate matters where Wahhabi puritanism was in conflict with the practice of laxer Muslims, diplomatically left the issue of the Jihad in the discretion of the sovereign. Ibn Saud was accordingly enabled to refuse, with authority, the demands of his subjects for a 'Holy War'. The less satisfactory decisions on minor religious matters brought him, however, into somewhat strained relations with the Government of Egypt.

Faysal ud Dawish, however, now proceeded to independent action. In the autumn of 1927 and the early part of 1928 he inaugurated several serious raids into Iraq and Kuwait, which necessitated the intervention of British aircraft and armoured cars; Transjordan was threatened with similar activities, and in both regions Wahhabi penetration induced several tribes to transfer their allegiance. In the later part of 1928 the situation improved, notwithstanding the breakdown of two conferences with Ibn Saud, which took place at Jidda

and Haifa respectively at this time. The second of these was concerned merely with the status of the Hijaz Railway, which ran through the mandated territories of Palestine and Syria, as well as through Ibn Saud's dominions. But the first broke down over the question of the establishment of military posts within the Iraq frontier, which had served as a pretext for Wahhabi raids. Ibn Saud regarded the construction of these posts as an infringement of his treaty rights, a contention which the British and Iraqi representatives disputed, on the ground that the nearest of the posts was sixty miles within the frontier. But in November 1928 Faysal ud Dawish threw off all pretence of allegiance to Ibn Saud and resorted to armed rebellion, which was apparently terminated in March 1929 by the victory of the King at Sabalah, in the course of which Faysal ud Dawish was wounded. Ibn Saud thereupon departed upon a pilgrimage, but the revolt not only broke out again but assumed more serious proportions; in November, however, the forces of the Nejd-Hijaz began a general advance, and in January 1930 the rebels, including Faysal ud Dawish, surrendered unconditionally. This success greatly strengthened Ibn Saud's position, and he was enabled not only to establish friendly relations with Iraq and Kuweit, but to make some judicious progress in the introduction of those western innovations which had hitherto offended the puritan susceptibilities of his subjects. It was clear, however, that the general situation owed much to the personal prestige and diplomatic sagacity of the ruler, and that in the event of his death or removal there might easily be a recrudescence of serious trouble.

The French in Syria

Such serious trouble had in the meantime broken out in the French mandated territory of Syria.

After the recall of the just and popular General Weygand in November 1924, a critical situation was not long in developing. His successor, General Sarrail, a violent anti-clerical, managed almost immediately to alienate the sympathies of the traditional supporters of France, the Lebanese Christians. No sooner had he done so than he was confronted

with a critical situation in the Jebel ed Druse. In that isolated mass of rugged mountains, dividing the fertile Hauran from the Hamad desert, the feudal community of the Druses had its principal stronghold. Under every administration of Syria these Druse clans had proved exceptionally formidable and difficult to control. They had been induced to recognize the French mandate in return for an agreement, signed in March 1921, which conceded to them a wide measure of independence, under a native Governor elected by themselves, with a French adviser. In 1923, however, in consequence of the death of Salim Pasha, the Governor, the elective Council of the Druses appointed the adviser, Captain Carbillet, as his temporary successor.

Captain Carbillet was an enthusiast for public works, and the modern improvements which he carried out in less than two years were really astonishing. Roads, reservoirs, and irrigation channels appeared as if by magic among the rocks of the Jebel, and these material benefits were accompanied by a number of decidedly useful administrative reforms. But the works were carried out by a system of forced labour to which the Turkish régime could show no parallel, and the administration was exercised with a heavy-handed severity which alienated chieftain and peasant alike. In April 1925 a deputation from the Druses laid before General Sarraill their complaints of this tyrannous régime, requesting that the condition of the agreement of 1921, which stipulated that the Governor should be a native, should now be fulfilled. The High Commissioner expressed his entire confidence in Captain Carbillet, treated the agreement as possessing 'a purely historic value', and brusquely dismissed the delegation. On receiving alarming reports of the local situation from the officer acting as the Governor's deputy during his absence on furlough, he not only disregarded them but ordered the supersession of his informant. Further representations from the Druses were summarily rebuffed. Finally, General Sarraill ordered that the leading chiefs should be invited to present their grievances in Damascus, and should, on arrival, be placed in confinement. In spite of protests from the French delegate in Damascus, this treacherous scheme was carried

into effect, and the three Druse chiefs who were confiding enough to accept the invitation found themselves relegated to 'enforced residence' at Palmyra. Within a few days one of the remaining chieftains, Sultan el Atrash, had mobilized his followers, and a most serious revolt had commenced.

The military authorities seem to have been quite unprepared for this development, and the campaign opened with a disastrous defeat of the French forces, with heavy casualties, and the capture by the enemy of guns and munitions. Further reverses followed, and in October the insurgents were fighting in Damascus itself. The garrison retired to the citadel, and bombarded the town, causing much loss of life to the civilian population and immense material damage. Though the indignation aroused by this episode brought about the immediate recall of General Sarraill, the revolt spread, and the issue remained for a long time doubtful. The French adopted the dubious expedient of enlisting and arming irregulars from the minority communities, thus intensifying the internal dissensions which it was the duty of the mandatory to reconcile. The oasis around Damascus was laid waste by military operations, and the city itself was in a state of siege.

The arrival of the new High Commissioner, M. de Jouvenel, who in face of immense difficulties attempted to pursue a conciliatory policy, failed to bring the hostilities to an end before his resignation in August 1926.

By the summer of 1927, however, peace was substantially restored, and on February 17th, 1928, the end of the insurrection was signalized by the proclamation of a general amnesty to all rebels who should surrender within a specified period, with thirty-nine named exceptions.

These events in the Jebel ed Druse had rendered impossible the due performance of one of the obligations of the mandate, which was to frame an organic law for Syria and the Lebanon within three years from its coming into force. A constitution for the Lebanese Republic was, indeed, promulgated in May 1926, within the prescribed period, but with regard to the remainder of the mandated territory an extension had to be obtained from the Council of the League. In July 1927

M. Ponsot, the new High Commissioner, took the first steps towards enabling the Syrians themselves to draw up a constitution. A provisional Government was formed under the presidency of a prominent Syrian nationalist, Sheikh Tuju'd Din, and elections were held in April 1928. The Assembly was assured that on the completion of its task the time would have come for regulating the relations between Syria and France, like those between Iraq and Great Britain, on the basis of a treaty.

Thus encouraged, the Assembly duly drafted a constitution which it adopted as a whole on August 7th. M. Ponsot, however, found many of its provisions unacceptable to the mandatory Power. Article 2 declared the Syrian territories detached from the Ottoman Empire to constitute an indivisible political unity. This was not only inconsistent with the subdivision of the mandated territory which had been made by France, but also, in M. Ponsot's opinion, with the status of Palestine. He accordingly declared reservations on this and a number of other points, which he suggested should be separated from the rest of the draft in its consideration by the Assembly. The suggestion was nevertheless rejected, and the Commissioner retorted by adjourning the Assembly. After further negotiations had resulted in a deadlock, M. Ponsot, in May 1930, promulgated a Constitution for Syria by his own unilateral act, accompanied by four other proclamations, regulating the administration of the other divisions of the mandate, and making arrangements for a conference on their common interests. The publication of these documents led to protests and demonstrations, but to no serious disturbance. But the *impasse* in Syria continued.

Palestine

In Palestine the problems created by the mandate were, as may have been gathered at an earlier stage, of exceptional complexity. Whereas the spirit of the age everywhere encouraged the creation of national states with a homogeneous racial composition, the Palestine mandate had as its declared object the preparation for self-government of a population consisting of two discordant elements, one native, the other

deliberately introduced, and in the meanwhile the reconciliation of Jewish claims to a national home with the full preservation of the rights of the Arab inhabitants. If the miracle is ever performed, it is clear that self-government will have to be on a new pattern, for majority rule is in the circumstances impossible. Professor Toynbee has compared the *tour de force* attempted by Great Britain to the action of a small boy who has witnessed an accidental explosion of gunpowder in a neighbour's garden, and, finding only one of the necessary ingredients in his own, had bought a sackful of the necessary saltpetre and having mixed it well in is waiting for the wind to blow a spark that way.¹

In August 1929 a partial explosion occurred, sufficiently serious to indicate the probable consequences of leaving the explosive ingredients without efficient and experienced supervision. Hitherto, the antagonism between the two races had been confined to economic and cultural grounds: it was the rekindling, on this occasion, of the fires of religious fanaticism which produced the fatal spark. The heat was engendered by a controversy over a piece of ancient masonry, which had a peculiar sanctity, for different reasons, in the eyes of each community.

That which was the 'Wailing Wall' to the Jews on the ground that it was the last surviving vestige of their Temple was to Muslims the stable of the Buraq—the beast which had carried the prophet Mohammed to heaven on 'the Night of Power'. The scene of the Jewish devotions is part of the retaining wall of the Haram-esh-Sherif, an enclosure of special sanctity in Muslim eyes, as the starting-point of the Prophet's celestial journey, and as containing the Dome of the Rock and the Mosque of Aqsa. The inflammatory possibilities of the situation were increased by the fact that the Jewish fast in commemoration of the destruction of the Temple coincided with the date of the Muslim celebration of the birthday of Mohammed. Though the Jews had acquired by long prescription a right to perform their devotions at the 'Wailing Wall', the structure itself, as well as the pavement at its foot, were Muslim property. Under the Turkish régime,

¹ *International Affairs*, January 1931, p. 48.

when the Jews realized that they enjoyed their privilege on sufferance, no serious trouble had arisen, but it was natural that a community encouraged to regard Palestine as a 'national home' should increasingly resent the fact that their most sacred building was in alien hands. In the early days of the British occupation fruitless negotiations had been started by the Jews for the purchase of the pavement abutting on the wall, but this encroachment on the *status quo* had alarmed the Arabs, and made them suspicious of even the slightest innovation in the procedure established by prescription. Any such innovations were consequently discountenanced and restrained by the mandatory authority, which had forbidden, in 1925, the bringing of seats or benches to the spot, and in 1928 had removed a screen erected to separate the male and female worshippers. The occurrence of such incidents had led to an increasing propaganda on both sides, and it may be said that in a small area of 120 square yards, constituting until very recently the only access to the adjacent dwellings of the Muslim inhabitants, the contest of the two world-forces of Jewry and Islam was concentrated around this provocative symbol.

In August 1929 demonstrations by both sides culminated in a most serious outbreak, as a result of which 133 Jews and 116 Arabs lost their lives, while a much larger number suffered injuries. The disturbances extended to other parts of the territory, necessitating the augmentation of the military and police forces, a stricter surveillance of the press, and the suspension of discussions on the subject of constitutional changes in Palestine. In May 1930, at the request of the British representative, the Council of the League appointed a neutral Commission to investigate the rights and claims connected with the Wall, and at the same time Sir John Hope Simpson was sent to Palestine to report on the wider questions of Jewish immigration and land-settlement, while the Labour Schedule, governing the admission of Jews to the country, was temporarily suspended.

The publication of the Simpson Report, in October 1930, was accompanied by the issue of a White Paper,¹ intended to

¹ *Cmd. 3692 of 1930.*

define the policy of the mandatory Power. The latter document aroused a storm in Zionist circles, where it was interpreted as a departure from the pledges of the Balfour declaration, and as being anti-Jewish in tone and temper. The Simpson report, with its limited estimate of the possibilities for Zionist settlement, created considerable disappointment, demonstrating, as it did, the impossibility of *looking forward* to an eventual Jewish majority in the country. An attempt to allay the storm was made by Mr. Ramsay MacDonald in a letter to Dr. Weizmann, the ex-President of the Zionist organization, but this only served to arouse, in a similar manner, the suspicion and resentment of the Arab party. In spite of the announcement of a projected expenditure of £2,500,000 on the development of the productivity of the country, with a view to facilitating increased immigration, the situation continued to give little promise of that approach towards self-government which the terms of the mandate prescribed.¹

Iraq

In Iraq, meanwhile, the attempt to regulate the relations between the mandatory Power and the territory by a treaty which, while purporting to recognize independence should retain the requisite measure of control, was giving some dissatisfaction to Iraqi politicians. The original treaty of 1926 contemplated the admission of Iraq to membership of the League of Nations in 1928, but this date was postponed to 1932 and made conditional upon continuous progress in the political development of the country. A new treaty, signed in 1927, remained unratified, and a new term, meaning in translation 'the perplexing predicament', was coined to cover the numerous and striking anomalies qualifying ostensible independence by practical control.

¹ Of late, the anti-Semitism of the Nazis in Germany has raised a new problem in Palestine. Jewish immigration has received a fresh stimulus, and the restrictions of the Government have proved inadequate to keep the growth of the Jewish population within bounds. Illegal immigration is said to be organized on a large scale. Another serious feature is the rise of two violently opposed factions among the Palestine Zionists. See articles in *The Times*, July 21st and 23rd, 1934.

On the advice of the new High Commissioner, Sir Gilbert Clayton, who assumed office in March 1929, and unfortunately died in the following September, an unconditional promise was given to support the candidature of Iraq for League of Nations membership in 1932, and this had an immediate effect in clearing the atmosphere. In June 1930, a new treaty of alliance was concluded (ratified January 26th, 1931), to take effect on the termination of the mandate by the election of Iraq to membership of the League. By the terms of this instrument, Great Britain was entitled to maintain forces at Hinaidi and also in Mosul for five years after the coming into force of the treaty, and subsequently at air bases to be leased in the vicinity of Basra and at a selected spot to the west of the Euphrates. Each party promised consultation and ultimately military support in the event of a dispute arising with third parties. The treaty was subjected to considerable criticism from a number of conflicting standpoints. To the Iraqi mind, the independence which it provided was still illusory; French opinion was perturbed on account of the stimulus which this early termination of the mandate was calculated to give to Syrian agitation in favour of a similar status; in Conservative circles in Great Britain, the safeguards to our communications appeared insufficient, while other critics felt a danger that the British forces might be utilized in maintaining internal order, to enforce an Arab policy, which it would have ceased to control, against minority communities.

The Fate of the Assyrians

From another angle, the danger to be contemplated by minorities in an independent Iraq was a subject of alarm to the minorities themselves, though it was the withdrawal of British influence which they feared, rather than the prospect that British force might be subservient to Arab policy. These fears were only too amply justified within a short time of the termination of the mandate by Iraq's admission to the League in October 1932. The victims were the Assyrian community, a group of Nestorian Christians originally resident in the mountains to the north of the Mesopotamian

frontier. They had entered Iraq as refugees from the Turks, and their existence was the principal reason for the British claim to extend the frontier of the mandated territory sufficiently far north to include their home district (see Chapter VIII). The League, however, awarded this territory to Turkey, which refused to permit the repatriation of the fugitives. After the Arab revolt of 1920, numbers of them were enlisted by Great Britain in a fighting force, which acquired considerable prestige and did excellent work under British officers. This policy, however, tended to emphasize their alien status, and gave rise to jealousy through invidious comparisons with the new Iraqi army, which the Levies regarded with undisguised contempt.

The problem of settling the Assyrians in their adopted country proved one of insuperable difficulty. There was no vacant accommodation in which to plant them as a homogeneous community. In June 1932, alarmed at the imminent prospect of the termination of the mandate, many of them adhered to an Assyrian National Pact, which made impracticable demands, in support of which the Levies mutinied, and were with difficulty persuaded to return to their duties. Their hereditary leader, both spiritual and temporal, the Mar Shimun, travelled to Geneva to present their claims, but was completely unsuccessful. The attempt, moreover, gravely incensed the Iraq Government, at a time when King Feisal, whose policy was more humane and conciliatory, was unfortunately absent in England. In July, under some misunderstanding, about 800 Assyrians left the country with the object of settling in Syria. The French authorities, however, refused to receive them, and sent them back, unfortunately without depriving them of arms. On August 4th they returned, and a collision took place with Iraqi troops, who suffered some casualties and retaliated by shooting all prisoners out of hand. Exaggerated reports of the fighting led to panic in official circles in Baghdad, who encouraged the Iraqi army to severe measures. The result was a wholesale massacre of unarmed inhabitants in Assyrian villages, the worst episode being that at Simmel, on August 11th, where the male inhabitants were methodically exterminated, while

the women and children were left without food for three days. A certain amount of murder and looting was also perpetrated by Kurds and Arabs, but the main responsibility attaches to the Iraqi troops, who may have exceeded their orders, though their commander, Bekir Sidky, was honoured on his return to Baghdad by driving through the streets with the Prime Minister to the applause of the inhabitants. The British did what they could, by organizing relief work and administering a refugee camp at Mosul, but they were deterred from intervention or the encouragement of League intervention by the fear of exciting further massacres, which were openly threatened in such an event. The prestige of Great Britain suffered a severe blow, and the incident was a grave warning against the danger of premature abandonment of any of the Arab mandates.

Egypt

The history of Anglo-Egyptian relations during this period is that of a series of unsuccessful attempts to employ the expedient which had achieved at least moderately satisfactory results in Iraq. When British diplomacy, with its native love of compromise, wishes to retain the substance of control while conceding the shadow of independence, it is apt to resort to the method of a treaty. This was the solution adopted not only in Iraq, but also in attempting to settle the Irish question. The difficulty is to find a formula reconciling the requirements of the one party with the nationalistic susceptibilities of the other. In February 1922, Great Britain had told Egypt that she was henceforth an independent sovereign state, and had proceeded to secure, by appropriate reservations, that her independence should be qualified. This had failed to meet with the acceptance of Egyptian Nationalist politicians, and in 1927-8, and again in 1929-30, attempts were made to render the appearance of independence more convincing by incorporating the essential reservations—which really were essential—in the clauses of a treaty ostensibly concluded between two parties of equal status. The history of both attempts shows remarkable points of resemblance. In both instances the initial step was taken by the

Egyptian Prime Minister in the course of informal discussions with the British Foreign Secretary. In both cases agreement appeared to have been reached between the original negotiators. In both cases the ultimate break-down was due to the fact that the Egyptian Prime Minister did not enjoy the support of a parliamentary majority, the party in overwhelming superiority being that of the Wafd or nationalists, whose leader, on the first occasion, Zaghlul Pasha, had refrained from taking office ever since his resignation following the murder of Sir Lee Stack in 1924. The success of the first attempt, in 1927, was further prejudiced by the death of Zaghlul in August of that year, since his successor in the leadership of the Wafd, Nahhas Pasha, could only judge the proposals on the general principles of the party, and was unable to be certain what would have been his predecessor's reactions towards them. The point on which the views of the parties proved impossible to reconcile was, however, different in each case.

The matters absolutely reserved to the discretion of the British Government by their declaration of February 1922 were as follows:

1. The security of the communications of the British Empire.
2. The defence of Egypt against foreign aggression or interference.
3. The protection of foreign and minority interests.
4. The status of the Sudan.

Of these, the two most important points of difference were the presence of British troops on Egyptian soil necessitated by (1), and the fourth point relating to the Sudan. The latter was eliminated on the first occasion by the expedient of omission, and an attempt was made to postpone the other main issue; it was, however, upon the question of the presence of the British Army in Egypt that the Wafd leader proved entirely uncompromising, and it was upon this that the negotiations broke down in March 1928. In the draft of 1930 the British forces were restricted to an area east of longitude 32° E. and this appeared to meet Egyptian susceptibilities. But on this occasion the Sudan proved to be the insuperable obstacle during the final negotiations, which were conducted

by Nahhas Pasha, after his party, the Wafd, had been returned to power by an enormous majority in the elections of December 1929.

The Sudan, after its reconquest by the joint forces of Egypt and Great Britain in 1896-8, had been placed under an Anglo-Egyptian condominium by an agreement made on January 19th, 1899. In its subsequent development both nations had shared, though Great Britain had played the preponderant part in its administration. With the growth of Nationalism after the War was associated an agitation for the complete incorporation of the Sudan in Egypt, which increased in intensity and was accompanied by disturbances of a more or less serious character. There has never been any question of any British Government acceding to the demand: on this point the assurances of Lord Parmoor have been as emphatic as those of Sir Austen Chamberlain. Great Britain was, however, content to let the condominium continue, and even to enter into negotiations as to its future status, provided nothing was done by either side in the meanwhile to disturb the *status quo*. But this reasonable condition was never observed by the Egyptians, and after the murder of Sir Lee Stack the British Government took the step of evacuating all Egyptian officers and Egyptian units of the army, and converting the remainder into a Sudan Defence Force, owing allegiance purely to the Sudan Government, and under the orders and control of the Governor-General—an Englishman appointed by the King of Egypt on the recommendation of the British Government. This step, which led to a serious mutiny on the part of one of the Egyptian units, added fuel to the fire of Nationalist discontent, and tended to make Egyptian opinion more intransigent on the question. The most substantial ground for the Nationalist attitude lies in the fact that control of the Sudan involves potential control of the Nile water-supply. The allocation of the Nile waters was, however, separately examined by a Commission in 1925-6, and this issue was satisfactorily settled, on the lines of the Commission's report, by an agreement signed in May 1929.

The actual point on which the negotiations for a treaty in

1929-30 broke down was not the main question of the Sudan, which was reserved for future discussion, but the comparatively minor issue as to the right of unrestricted immigration of Egyptian nationals into this territory. It is difficult to avoid the conclusion that the real obstacle to a settlement is a mutual mistrust, which is probably more or less justified on both sides, from the standpoint of each. Great Britain feels that her material interests cannot be left to depend merely upon Egyptian good faith, and Egyptian nationalism suspects that there is no intention of allowing the independence at which it aims to be anything but illusory. In these circumstances, it is perhaps surprising that agreement should have been so nearly attained, even though on each occasion success was only approached by postponing the most serious points of controversy. The difficulties of arriving at a permanent and trustworthy settlement have been enhanced by the domestic political situation in the country, where constitutional parliamentary government has been repeatedly suspended by the act of the King.

In the field which has been surveyed in this chapter, the main conclusions which seem to emerge are—firstly, the great danger to peace and orderly government if the control of a Western Power be removed, and secondly, the growing difficulty of maintaining such control in a world which discountenances force and encourages the aspirations of racial nationalism. Taken with the increasing sense of Arab unity, and the emergence of a consolidated Power in the Arabian peninsula, the prospect may well arouse considerable anxiety.

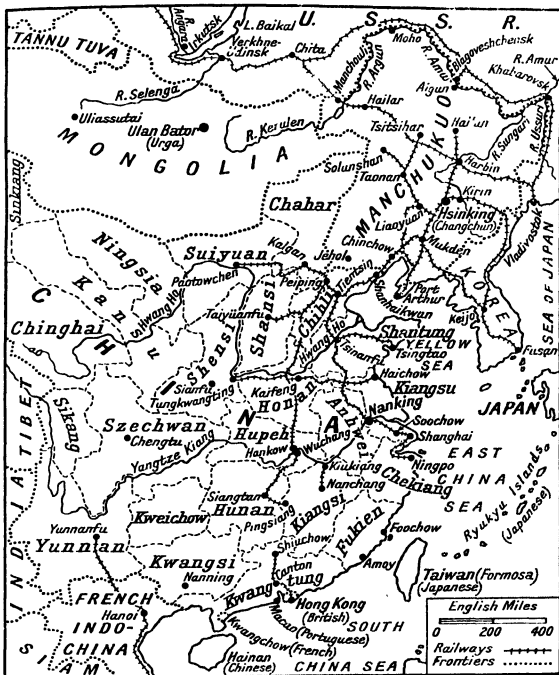
XV

CHINA TO 1930

THE truth or falsity of the prediction by General Smuts, quoted in Chapter IX (p. 140) has not yet been established, but during the first four or five years following the termination of the Peace Conference of Paris it would have been difficult to point to any striking evidence in support of the view there expressed. Europe undoubtedly was the focus of attention and the seed-plot of international crises: such Pacific problems as had seemed to constitute a threat appeared to have achieved an early and satisfactory solution during the Washington Conference of 1921-2. Not until the summer of 1925 did the scene begin to change: but with the second period of our history, the Far East started to take a place in world affairs which promised to justify the prediction of the South African statesman.

The central factor in the situation—anarchy in China—had indeed existed from the first, but from 1920 to 1925 this was little more than a question of Chinese domestic politics. Strikes and trade disputes were numerous, and in these a political motive might generally be traced behind the economic pretext; Bolshevik propaganda, insidious and persistent, was working, even then, to influence the growing nationalism of China against the domination of western capitalists; perpetual civil war hampered commercial relations; but no international crisis arose of a magnitude sufficient to divert attention from the menacing problems of Europe. Indeed, regarded as a whole, the trade figures of the country remained extraordinarily satisfactory.

Yet the moment that questions arose necessitating international negotiations, the internal state of China constituted a formidable obstacle; foreign countries, however accommodating and conciliatory in intention, found it difficult to achieve a lasting and satisfactory settlement when they could find no generally recognized government capable of speaking for the whole of China. Misrule and anarchy combined with



a spirit of nationalism which was the one feeling at all generally shared by all sections of the Chinese population, were at once a threat to peace and an obstacle to settlement. The internal condition of the country cannot, therefore, be ignored: though domestic politics should as far as possible be excluded from the scope of this work, in dealing with the Far Eastern question it is necessary to devote some space to its consideration.

For some 2,200 years, the constitution of China had remained unchanged. The rule of the Emperor was technically autocratic, but in practice his control over the provinces was confined to the appointment of the governing officials and the requisition of funds to meet the central expenditure. There was thus a large measure of local independence throughout the Empire, and the Emperor himself was the only real bond of union.

Through the revolution of 1911, a millennial tradition of government was subjected to a sudden and complete change. A republic with a parliamentary system of government based upon Western ideas was substituted overnight in a vast country about ninety-nine per cent. of whose population was illiterate. It has been claimed that the adoption of parliamentary institutions was less difficult in China than in any other oriental country, since a crude popular control of oppressive taxation had long been intermittently exercised through the institution of a communal boycott.¹ The author referred to suggests that: 'In so acting the people unconsciously exercised the essential function of parliamentary government, the maintenance of the principle that taxation can only be imposed with the consent of the people', but it may be doubted whether so rudimentary and instinctive a reaction against oppression is any adequate evidence of political capacity.

The immediate effect of the revolution was anarchy and disintegration. The link which bound the vast Empire of China in some sort of unity had been destroyed. The new movement gathered its main inspiration from westernized

¹ Paper by Alfred Hippisley on 'The Chinese Revolution' read to the Central Asian Society in 1912.

intellectuals in the Canton area of the extreme south, of whom Sun Yat-sen was the leading spirit. This was exceedingly remote from the centre of government at Peking, and such liaison as was possible was removed at the outset of the revolution by the withdrawal of Sun Yat-sen from the position of President to which he had been elected, in favour of Yuan Shih-kai, a Conservative statesman of the old school, who had resisted the revolution as long as possible, and who had no intention of submitting to popular control. In 1913 he dissolved and proscribed the Kuomintang or National party, and thenceforward ruled without Parliament. In 1915 he threw off all pretence and proclaimed himself Emperor, but was forced to postpone the change of constitution, and shortly afterwards died (June 6th, 1916). His successor to the Presidency, Li Yuan-hung, re-convoked the Parliament, but dissolved it again in the following year, after which the split between north and south was openly declared by the assembly of a rival parliamentary government in Canton, under the leadership of Sun Yat-sen. This political cleavage had, however, in fact existed throughout the revolution, and was, indeed, almost a permanent factor in the situation, reflected geographically by the bi-section of China from east to west by the Yangtse river.

The Northern Civil War, first stage

After the death of Yuan Shih-kai the government which his strong personality had succeeded to a large extent in holding together rapidly dissolved into its component fragments. In 1922 civil war broke out in North China, and its history became a bewildering kaleidoscope of continually changing alliances between the rival Tuchuns. Of these the most important at this stage were Chang Tso-lin, the Manchurian 'war-lord', and Wu Pei-fu, one of whose subordinates, Feng Yu-hsiang, 'the Christian General', was soon destined to achieve independent notoriety. The early operations of the civil war forced Chang Tso-lin and Sun Yat-sen into an unnatural alliance from which neither profited, for Chang was defeated by the Wu Pei-fu combination, and Sun, on his return to Canton, found it occupied by his former supporter,

General Chen Chiung-ming, and was temporarily forced to retire to Shanghai. The immediate effect of Wu's victory was the reinstatement of the ex-president, Li Yuan-hung, and the reassembly of the Peking parliament, but this apparent restoration of constitutional government in the north was of short duration. The new President aimed at the unification of China through peaceful reconciliation, whereas the war-lords who had reinstated him were believers in force. In June, therefore, a fresh interregnum was caused by the eviction of Li Yuan-hung, pending the appointment to the presidency of Tsao Kun, a military colleague of Wu Pei-fu. In 1924 Wu started a campaign in pursuance of his ideal of forcible unification. But, owing to the desertion of Feng, who withdrew to Peking and assumed military control of the capital, he was easily defeated by Chang Tso-lin, and forced into temporary retirement.

Progress of the Kuomintang

Meanwhile, Sun Yat-sen had succeeded in getting back to Canton, in the spring of 1923. With him was an adviser from Soviet Russia, Michael Borodin. Though this liaison with Bolshevism was to prove a two-edged weapon, the policy had much to commend it in the eyes of a revolutionary like Sun, who saw the early fervour and enthusiasm of his associates fading into respectability. It was, moreover, natural to turn to Russia, since he could not expect much help from other Western Powers. In the year of his return he was destined to come into conflict with them through a misguided attempt to seize the Canton custom-house in order to secure a share of the surplus revenue, and in 1924 the action of his government in dealing with a plot organized by the merchant volunteer corps brought him a warning from the representatives of Great Britain. But Russia could be and was of great assistance in strengthening the forces at Sun's disposal. It was with Russian advice and under Russian instructors that the Whampoa military academy was started in 1924, while Borodin and his associates also succeeded in thoroughly reorganizing the Kuomintang, giving it a relation to the government closely modelled on that occupied by the Third

International in regard to the Moscow Government. Indeed, any one seeing the word 'Kuomintang' for the first time at this stage might readily have taken it for a Chinese transliteration of 'Comintern'. Last but not least the Russian Communists were experts in propaganda. Nor was the help derived from the Soviet Government confined to China. In Moscow a university was founded, where hundreds of young Chinese were instructed in the Bolshevik gospel. Under these auspices the Kuomintang acquired a remarkable and rapid invigoration.

The next element in the progress of the National party was, paradoxically enough, the death of its leader. In March 1925 Sun Yat-sen died. As a practical leader and a man of action, he had exhibited many defects. All that was best of him, his political writings and the 'Three Principles' on which he had conducted his revolution, was equally available after his death. The Russian advisers, who had recently seen the effects of Lenin-worship in their own country, were quick to grasp the possibilities. The body of Sun Yat-sen was embalmed. A cult in his honour was sedulously propagated: his writings were everywhere disseminated. From a rather precarious position as the head of a local and unrecognized government he became a rallying symbol for the Nationalist aspirations which were the one thing which united Chinese opinion throughout the Empire.

The Shanghai Incident

The Communist influence was not long in making itself felt in an increase of ostensibly industrial disputes, which had a political background in the anti-foreign movement created by a growing nationalism, whose claims the absence of organized government made it impossible to satisfy. The returns of the Shanghai Municipal Council showed strikes in 1924 resulting in a loss of 289,730 days. Other ports were similarly affected. In February 1925 the dismissal of forty employees at a Japanese mill in Shanghai led to a prolonged dispute accompanied by violent agitation, sabotage, and even murder. On May 14th an attempt on the part of strikers to force an entrance into a mill was resisted by the Japanese

occupants, who fired in self-defence, killing one of the strikers. A memorial procession was organized through the international settlement on May 30th, which culminated in a riot, and an attack upon the police-station, in the course of which the police opened fire, killing twelve of the rioters and wounding seventeen.

This event was followed almost immediately by a similar occurrence on the island of Shameen, a portion of Canton containing the French and British concessions. On June 23rd a monster demonstration of protest was marching past the concessions when one of its contingents, from the Whampoa military academy, fired a volley at the island, its fire being immediately returned by the European forces, with the result that thirty-seven Chinese were killed and many more wounded.

The repercussions of these events were felt almost immediately throughout China. A widespread boycott, directed mainly against the British, followed, and the demands of the Chinese for the abolition of foreign privileges were urged with increased impatience and vehemence. The incident forms, in fact, a landmark in the history of Chinese international relations.

Anarchy in the North

Yet, paradoxically enough, the international crisis provoked by the Shanghai and Shameen incidents was the first step towards the recognition of the southern Government by the foreign Powers concerned. For a stage had now been reached when it was necessary to come to an understanding upon the issues raised by Nationalist claims, and the difficulty did not consist in any unbridgeable gulf between the stand-points of the parties but in the impossibility of finding a responsible authority with which to negotiate. For example, the Conference convened in October 1925, in conformity with the Washington Agreements of 1922, to consider the future status of the Chinese Customs' tariff, broke down not because of any unwillingness on the part of the twelve nations represented to concede the demands of the Chinese for tariff autonomy and the abrogation of existing treaty restrictions, but because, before the termination of the Conference, the

Peking Government had faded out of existence. The same obstacle alone prevented the completion of arrangements for the rendition of Wei-hai-wei, in accordance with undertakings which had also been given at Washington. The Commission on Extra-territoriality, another product of the Washington Conference, continued, however, its deliberations at Peking during eight months of the year.

The real trouble in Peking was due to the resumption of the northern civil war with a remarkable change of partnerships. After the defeat of Wu Pei-fu owing to the defection of Feng Yu-hsiang, the victorious Manchurian leader, Chang Tso-lin, had endeavoured to purchase the friendly neutrality of Feng by a cession of territory, only to experience, within a month, the same perfidy of which his antagonist, Wu, had been the victim. In December 1925, taking advantage of a revolt by one of Chang's generals, Feng had attacked another of Chang's subordinates and driven him from Tientsin. Wu Pei-fu and Chang Tso-lin were, therefore, temporarily forced into an unnatural alliance by a common resentment, with the object of settling accounts with the treacherous 'Christian General'. Feng Yu-hsiang, faced by this new combination, found the moment opportune to depart on a visit to Moscow, but before his leaderless troops had withdrawn from Peking, in April 1926, they deposed the head of the Government, Tuan Chi-jui, whose departure to Tientsin left a complete interregnum behind him. At an earlier stage of the hostilities, the difficulties created for foreigners by the existence of the civil war had been exemplified by the Taku forts incident, when foreign shipping was fired on in the neighbourhood of Tientsin, and mines were reported to have been laid at the entrance to the harbour. A protest from the diplomatic body met with an almost abjectly conciliatory reply from the Government, but the episode only showed the impotence of the ostensible authority, and the hopelessness of attempting negotiations in that quarter.

Progress and recognition of the Southern Government

In the South, on the other hand, though the situation in which foreigners were placed was far more serious, and

therefore demanded more urgent attention, there was at the back of the agitation a solid, even if obnoxious, organization, with an intelligible purpose behind its policy.

The element of Bolshevism represented by the Russian advisers no doubt increased the difficulty of negotiation, for it was definitely set upon embroiling the relations between China and the Western Powers, but the claims of the Nationalists placed no insuperable obstacle in the way of settlement, and in any case there was a substantial authority rather than a shadow to deal with.

The star of the southern—or National—Government was in any case in the ascendant. Under the leadership of Chiang Kai-shek, formerly the commandant of the Whampoa Military Academy, its forces had succeeded in making a rapid advance in their campaign against the northern 'war-lords'. In August 1926 they received a notable recruit in Feng Yu-hsiang, whose visit to Moscow—or his characteristic opportunism—induced him to enrol himself as a member of the Kuomintang. By the end of the year Wu Pei-fu and his ally Sun Chuan-fang had been practically eliminated as serious factors in the situation, the southern armies were astride the Yangtse, in occupation of the province of Hupch, and on New Year's Day, 1927, the National Government issued a mandate removing their capital to greater Hankow, which they renamed Wuhan.

In these circumstances the first steps towards negotiation with the National Government were taken in December 1926, when Mr. Lampson, the British Minister, met the Kuomintang Foreign Secretary, Mr. Eugene Chen, and held conversations with him at Hankow. The Nationalists had displayed their readiness to negotiate since the beginning of June, when attempts were made to end the anti-foreign boycott in Canton, which was finally terminated in October. This improvement in the relations of the parties was not permanently disturbed by an incident in the British Concession in Tientsin in November, when fourteen persons connected with the Kuomintang were arrested on a charge of seditious activities and handed over to the authorities of the north. The occurrence excited protests from the National

Government, but the action of the British had been diplomatically correct. The conversations at Hankow were immediately followed up by the communication of a British memorandum to the representatives in Peking of the Washington Treaty Powers, which spoke with sympathy of the Nationalist movement, and expressed readiness to negotiate on treaty revision and other outstanding questions; and in January 1927 a statement was sent to the Chinese Foreign Secretaries both in Hankow and Peking, outlining the measures for treaty modification which the British Government was prepared to consider.

Violation of British Concessions at Hankow and Kiukiang

Notwithstanding these evidences of rapprochement, the success of the Nationalist party had not unnaturally been accompanied by a good deal of agitation directed against the foreigners. After the occupation of greater Hankow in October 1926 the majority of the working population were at once enrolled in labour unions, a step which not only led to a ruinous rise in wages but was accompanied by a succession of strikes and culminated in a general foreign boycott, which, however, was actually enforced only against the Japanese. On the eve of Mr. Lampson's arrival in December, matters took a new turn, specifically directed against the British, a change of policy in which M. Borodin was the protagonist and in which the hand of Russia was evident. As a result, on January 3rd, 1927, a large mob, incited by Borodin, attempted to enter the British Concession, and was only kept out by a cordon of British marines and other naval ratings, who displayed an heroic steadiness under a sustained fusillade of bricks and stones. Not a shot was fired; not a Chinese was killed; but the Concession was nevertheless effectively guarded. Two days later, however, the defence of the Settlement having been entrusted to Chinese troops, the mob succeeded in effecting an entrance, and the same evening most of the women and children in the concession were evacuated. At Kiukiang a similar crisis had occurred on January 4th-7th, though in this case the evacuation of women and children preceded the invasion of the mob. Evidence

was not lacking, however, that these events were instigated and approved only by the left wing of the Kuomintang, which was already beginning to lose its controlling influence. Mr. Eugene Chen, the Minister for Foreign Affairs, took immediate and energetic steps to secure the safety of the British Concessions and their inhabitants, and within a few days conversations were opened at Hankow between Mr. Chen and Mr. O'Malley, the Counsellor of the British Legation, who had been sent for the purpose by his chief, Sir Miles Lampson.¹ Shortly, however, after the conversations were started, the British Government, fearing for the security of the international settlement at Shanghai, ordered the dispatch of a defence force of three brigades to the town, under the command of Sir John Duncan. The National Government took umbrage at this step, which they construed as an act of coercion directed against them. After an agreement had been drawn up, therefore, Mr. Chen refused to sign it, but after some delay negotiations were resumed, and an agreement was eventually signed on February 21st by Mr. Chen and Mr. O'Malley, resigning the care of the Hankow concession to a new Chinese administration, under regulations to be communicated to the British Minister. The agreement caused considerable dismay to the foreign community in other concessions and treaty ports, but was equally disliked by the extreme left wing of the Kuomintang, who had hoped for unconditional surrender.

Anti-Communist split in the Kuomintang

As has already been hinted, the Kuomintang party had been suffering for some time from internal dissensions, between a section which resented the Russian tutelage and was opposed to Communism, and a left wing which Borodin and his associates had effectively converted to Bolshevik principles. The most active opponent of Communist influences was the military leader, Chiang Kai-shek. As early as March 1926, during the temporary absence of Borodin from Canton, he had attempted the expulsion of the Chinese Communists and the Russian Mission from the city. Borodin, however,

¹ Mr. Lampson had been made a K.C.M.G. on January 1st, 1927.

returned in time to thwart the *coup*, and succeeded in inducing Chiang to throw over his associates in return for a promise of support to the projected northern expedition. On May 15th, at a party conference, Chiang Kai-shek succeeded in carrying certain resolutions disqualifying Communists from service as heads of departments in the central organization, and otherwise controlling the activities of the Chinese Communist party. These resolutions, however, in practice merely saved Chiang's face, without materially hampering Borodin, who may thus be said to have won the first rounds in the contest. In the early part of 1927, the left wing of the Kuomintang continued its successes. The events at Hankow and Kiukiang have been interpreted as being primarily aimed at embarrassing Chiang Kai-shek and his associates by embroiling them with a Great European Power. In meeting on March 10th at Hankow rather than at Chiang's head-quarters at Nanchang, the Communist section of the party registered another victory, which they were able to follow up, owing to the boycott of the assembly by the Centre and Right of the party, by a resolution deposing Chiang Kai-shek from the post of commander-in-chief, a decision formally ratified by the Government on April 17th. In Shanghai, however, which had meanwhile fallen into his hands, the General took energetic steps to suppress the Communists by force, and on April 15th, at Nanking, he inaugurated an opposition Kuomintang Government. The Hankow Government retorted by expelling him from the party, and appointing Feng Yu-hsiang to the chief military command in his place. Yet the Nanking Government succeeded in obtaining the adherence of the provinces on the southern littoral, and the position of its rival appeared precarious, when the latter suddenly revised its policy, and associated itself with the movement for the expulsion of the Russian Mission and its converts. The first hint of this change was a telegram dispatched by General Feng to the Hankow Government, demanding the expulsion of the Communists, which is believed to have been sent in collusion with those to whom it was ostensibly addressed. But the real reason for it appears to have been the revelations of Soviet intrigue derived from

documents captured and published by the Northern Coalition in Peking in the month of April, and the discovery, in June, of secret instructions issued to Borodin from Moscow, in which he was not only directed to foster the confiscation of land by the peasants, without reference to the Hankow Government, but also to take steps to secure that the Kuomintang should gradually be supplanted by the Chinese Communist party. These revelations converted the Hankow Government to a view identical with that of Chiang Kai-shek, and in the middle of July the Chinese Communists were arrested wholesale, and Borodin and his mission sent back to Russia.

An unexpected result of this change of front, which made possible a reunion of the party and the transfer of the seat of government to Nanking, was the temporary eclipse of Chiang Kai-shek, on whose retirement the Hankow leaders continued to insist; and in August he withdrew to Japan, after issuing two long proclamations explanatory of his action. In November, however, he returned to Shanghai, on December 1st he married the sister of Mr. T. V. Soong, the Finance Minister, and of Mrs. Sun Yat-sen, and on the 10th he was reinstated in the post of Commander-in-Chief.

His return to power was probably due, to some extent, to a general reaction against disturbances which had meanwhile been taking place in the south. Canton had from the first associated itself with the anti-Communist policy of Chiang Kai-shek, and had violently suppressed the movement locally as early as April. The sudden change of attitude at Hankow, however, did not suit the view of some military commanders in the service of that government, and in September some of them appeared in the south and set up a Communist régime in part of Kwantung province, from which they were not wholly dislodged. In December, a 'Red Army', led by one of these commanders, succeeded in entering the city of Canton, where it started a serious Communist rising, and created a temporary reign of terror, before the disturbance was ruthlessly suppressed, with a loss of life estimated at not less than two thousand. The emergence of the danger in so acute a form no doubt turned the minds of the Government to the strong man who had been the first to foresee it, and Chiang

Kai-shek, on his reappointment, at once took energetic steps to complete the elimination of the Russian influence and its supporters.

The End of Chang Tso-lin

At the close of 1927, therefore, the National Government was once more united, and prepared to enter upon the final phase of the struggle with Chang Tso-lin, whose principal allies had by this time been eliminated. Shanghai was occupied by the National forces in March, with the exception of the International Settlement, which was protected by the Defence Force, fortunately without any serious clash. The occupation of Nanking, on the other hand, on March 23rd-24th, had been accompanied by serious outrages against foreigners, which appeared to have been deliberately instigated, probably with the idea of embarrassing Chiang Kai-shek, who had not arrived at the time, and who expressed regret for the occurrences. By the end of the year, the northern armies were more or less confined to the provinces of Shantung and Chihli, for Feng Yu-hsiang was in occupation of Honan, and the advance of the National forces had induced the governor of Shansi, Yen Hsi-shan, commonly known as 'the model Tuchun', to abandon neutrality and throw in his lot with the Kuomintang. A general advance began in April 1928, and on May 9th Chang Tso-lin announced his abandonment of the struggle. His departure from Peking was hastened by a note sent by the Japanese to both sides, on May 18th, warning them that the nearer approach of the disturbances to Peking and Tientsin might lead to their intervention to preserve order. They put further pressure upon Chang Tso-lin to withdraw to Manchuria, and at the same time strongly reinforced their detachment at Tientsin. Chang Tso-lin accordingly evacuated Peking on June 2nd, and retired to Manchuria, but while crossing under the Japanese South Manchurian railway line near Mukden his train was blown up, and Chang himself was killed. The origin of the outrage is unknown, but in China it was freely attributed to the Japanese.

The Tsinanfu Incident

Chiang Kai-shek had, however, been prevented from achieving the glory of being the first to enter Peking, an honour which fell to Yen on June 8th. The Japanese, as indicated in the preceding paragraph, had become concerned by the transference of the theatre of operation into regions which they regarded as their special sphere of interest, and their policy had taken a decidedly more militant turn on the resignation of Baron Shidehara's Government in April 1927, and its succession by that of Baron Tanaka. In May 1927 a defence force had been dispatched to Shantung, which had not only occupied the treaty port of Tsingtao, but also Tsinanfu, the junction of the Tientsin-Pukow and Tsingtao-Tsinanfu railways, both of which were Chinese property. This action had given rise to Chinese protests and an anti-Japanese boycott in the summer of 1927, but no actual trouble had occurred on the spot, and in September the Japanese troops had been withdrawn from Shantung. With the revival of operations in April 1928, however, they had been replaced, and on the arrival of Chiang Kai-shek's forces on May 2nd-3rd, a collision took place, the responsibility for which is strenuously contested. As a result, the Japanese commander launched a vigorous attack, drove back the main body of Chinese troops to a distance of about seven miles from the city, and ejected the remainder by shelling the town, causing numerous casualties to the civilian population. The incident evoked protest from the Nanking Government to Japan, and they also informed the League of Nations by telegram on May 11th. They exerted themselves, however, to restrain manifestations of anti-Japanese feeling.

End of the Civil War

On July 6th, 1928, the three National commanders attended a ceremony in the Western Hills, near Peking, to announce to the spirit of Sun Yat-sen the successful termination of the war. The dead leader had laid down three stages for the progress of the nation towards democracy; the first or militant stage was now over, and the second, that of tutelage,

had now to be begun, before the time was ripe for the ultimate phase of popular government. In this spirit, a Government Organization Law was promulgated by the Central Executive of the Kuomintang in October 1928, setting up an executive Yuan, or board, with four other boards, legislative, judicial, public examiners and censorship, under the presidency of Chiang Kai-shek. The process of financial reconstruction was begun, and the first steps taken in the demobilization of the armed forces.

Status of Manchuria

There was now a unified government over the whole of China proper, but the question of the inclusion of Manchuria aroused immediate opposition from the Japanese. The son and successor of Chang Tso-lin, the 'Young Marshal', Chang Hsueh-liang, was from the first sympathetic to union with the National Government, but on July 18th, 1928, he was warned by the Japanese that the union of Manchuria with China might prejudice their interests. In the British House of Commons, however, Sir Austen Chamberlain declared that His Majesty's Government regarded Manchuria as part of China, and in August Baron Tanaka repudiated the intention of opposing the union, though he said that he could not endorse it. In these circumstances, Chang Hsueh-liang was appointed in October as one of the sixteen State Councillors, and at the end of December 1928 the Kuomintang flag was hoisted in Manchuria.

Disturbances of 1929-1930

Tranquillity had not, however, yet been attained. In the spring of 1929, a quarrel broke out between Chiang Kai-shek and Feng Yu-hsiang, who was expelled from the party by the Central Executive of the Kuomintang on May 23rd. Actual warfare was averted during this year, but in April 1930 a revolt against Chiang Kai-shek was started by his two former allies, Yen and Feng, which was defeated before the end of the year with the assistance of Chang Hsueh-liang. In both years, trouble was caused in the south by the 'Kwangsi Group', led by Chang Fai-kwei, and the disbandment of the

troops used during the civil war led to a great increase of banditry. Widespread famine occurred to increase the troubles of the Government, and its prospects of peacefully controlling the whole country did not appear to be bright at the close of 1930.

PART III
PERIOD OF CRISIS

1930 to 1934

XVI

THE WORLD IN 1930

WHEN, at the conclusion of the labours of the Preparatory Commission for the Disarmament Conference, the world once more paused to draw breath, it seemed at first sight that a satisfactory measure of progress might be set to the credit of the preceding quinquennium. In Europe, the problem of reparation was believed to have been finally settled by the adoption of the Young Plan (May 1930; see Chapter XVII). A further indication of improved relations with Germany had been the complete evacuation of the Rhineland by the military forces of the victor Powers. In the matter of disarmament, a draft convention had been produced—though unfortunately without unanimous agreement—which promised a useful basis for the forthcoming deliberations of the Conference in 1932. At the same time, a substantial advance towards limitation had been made by the three principal maritime Powers of the world in the naval treaty concluded in London. The general acceptance of the Kellogg Pact marked an important stage in the elimination of war from international relations, while a further contribution to the problem had been made by opening for accession the General Act for the Pacific Settlement of International Disputes, and by proposals such as the Convention for Financial Assistance. In Russia, the fall and expulsion of Zinoviev and his associates in 1927–8 suggested the definite abandonment of the policy of propagandist interference with the domestic affairs of other countries which had been carried on by the Third International, and, since 1928, the Soviet Government had been mainly preoccupied with the effort undertaken, in the Five Year Plan, for the industrial development of the country. In their sphere of operations in the Far East, Communist propaganda had been simultaneously checked by the expulsion of the Russian agents, and the forcible suppression of their disciples. Lastly, through the presence of their representative on the Disarmament Commission from the end

of 1927, the Russians had once more taken a co-operative place at the council table of Europe.

Events in America showed signs of a similarly satisfactory progress. The Kellogg Pact had been forestalled by the Mexican resolutions at the Sixth Pan-American Conference of 1928, and supplemented by the Conventions for Conciliation and Arbitration in 1929. The protracted and difficult negotiations over the Tacna-Arica dispute had ended in the treaty settlement of 1929, the Peru-Colombia boundary was delimited in August 1930, and the disturbances shortly to arise in that region were still in the womb of time. There had been a temporary pacification of the quarrel between Bolivia and Paraguay; the serious phase of open war was not to be reached until later. The Nicaraguan trouble was settled, and the United States had abandoned the policy of economic imperialism which had aroused misgivings in the earlier portion of the quinquennium. Up to the autumn of 1929, the United States had enjoyed an apparently unexampled prosperity, which had enabled them to ease, by lavish and welcome loans, the economic stresses of Europe.

In the Middle East, the surrender of Faysal ud Dawish in January 1930 had put an end to the serious threat of a Holy War directed against the European mandatories. The Syrian trouble was over, and the promulgation of a Constitution for this territory indicated a distinct advance. In Iraq a new treaty had marked a further and final stage in the progress of that state towards freedom from mandatory leading-strings and qualification for membership of the League. In Egypt, the latest negotiations for a treaty were still in progress, with considerable hope of a satisfactory outcome. Palestine had recently given trouble, but was now again quiet.

Finally, in the Far East, there was at last the germ of a unified China. All over the world, then, there appeared at first sight to be solid material for satisfaction.

It may, therefore, occasion surprise that this year, 1930, was the date when the shadow of a possible or probable recurrence of war first began to darken the world. All over Europe, as English travellers in that year reported, the imminence of war was a staple topic of conversation. This

was not mere irresponsible rumour. Distinguished financiers, like Dr. Somary of Zurich, arrived at a similarly serious diagnosis from the consideration of economic symptoms. In a lecture delivered at Chatham House in December 1930 this authority pointed to the high rate of interest offered in vain by the largest of German banks on guaranteed first mortgage bonds, and drew the conclusion, from this and similar phenomena, that, in the absence of effective steps for the restoration of political confidence, 'the present crisis will be but a prelude to a dark period to which the historian of the future will give the name "Between two Wars"'.¹ A year later the American journalist, Mr. Frank Simonds, published his book with the ominous title—*Can Europe keep the Peace?*

What were the reasons for these forebodings? In the first place, some of the items which have been placed on the credit side of the situation must be subjected to qualifications which deprive them of much of their face value. The success of the three-Power naval treaty was equally the failure of the five-Power negotiations, and, by virtue of the 'escalator' clause (see p. 182), the real value of its provisions might depend upon the action taken by the two European Powers, France and Italy, who had failed to reach agreement. Subsequent Franco-Italian discussions on naval limitation, which took place in 1930-1, and which must be more fully dealt with hereafter, engendered, at various stages, a dangerous amount of heat. Thus, on May 17th, 1930, the question inspired Signor Mussolini to perhaps the most hair-raising of his more truculent utterances—

'Words are a very fine thing; but rifles, machine-guns, warships, aeroplanes, and cannon are still finer things. They are finer, Blackshirts, because right unaccompanied by might is an empty word. . . . Fascist Italy, powerfully armed, will offer her two simple alternatives: a precious friendship or an adamant hostility.'

Somewhat similar considerations apply to the conclusion of the draft disarmament convention. Attention has already (p. 183) been drawn to the fact that the final sessions of the Preparatory Commission showed a dangerous tendency to

¹ *International Affairs*, March 1931, p. 169.

rapprochement between Germany, Italy, and the U.S.S.R., and, though the votes of these three countries were insufficient to prevent the adoption of the Convention by a majority, a minority consisting of these three Powers was really a much more formidable obstacle in the path of disarmament than a much larger opposition, consisting of less powerful states, could have been.

Apart from this, the mere fact that a Commission which had been appointed five years previously had only achieved a meagre and partial agreement on general principles of limitation by the end of 1930, was enough to make any one despair of the prospects of eliminating armed force from international relations. The unwillingness of the nations to reduce their armaments was an indication that no one really placed much trust in the observance of pacts or covenants. 'Without which', as Hobbes long ago remarked, 'covenants are in vain, and but empty words; and the right of all men to all things remaining, *we are still in the condition of war.*'

But an even more direct ground for uneasiness was to be found in the rapid and sensational progress of the National Socialist (Nazi) party in Germany, under the leadership of Adolf Hitler. The suddenness of Hitler's rise to power may be illustrated by the following fact. In 1929, Lord D'Abernon, the former British Ambassador in Berlin, published the first two volumes of his work, *An Ambassador of Peace*. In this book, the only reference to Hitler is a footnote on pp. 51-2, which, after mentioning his arrest and condemnation for participation in the Bavarian rising of 1923, continues thus:

'He was finally released after six months and bound over for the rest of his sentence, thereafter fading into oblivion.'

It is perhaps almost equally striking that in an address by Dr. Arnold Wolfers, then Director of Studies at the Hochschule für Politik, delivered to the Royal Institute of International Affairs in November 1929,¹ though the subject was 'Germany and Europe' and the German political parties were described in detail, the name of Hitler was never mentioned. Yet, less than a year later, in the elections of September 1930,

¹ *International Affairs*, January 1930, p. 23.

the Nazi membership of the Reichstag rose from 12 to 107. Considering that the first point in the party programme is the union of all people of German race by the right of self-determination in one Great-Germany, and the second the cancellation of the Treaties of Versailles and St. Germain, the alarm created by this portent is sufficiently intelligible.

But there is a grim irony in the reflection that this terrific threat to European stability is the monstrous growth of the very principle—national and racial self-determination—on which the peace settlement was founded.

The final and most potent factor dissolving the optimism of Europe was, of course, the onset of the economic crisis. This, indeed, was the real explanation of the sudden conversion of Germany to Hitlerism. The Nazis had always opposed the settlement worked out in the Young Plan; they had represented its burdens as beyond the capacity of their country to bear; now they were proved right. Germany had been exhorted, under the Stresemann régime, to persevere in the policy of fulfilment as a stage towards the prosperity which would follow the reconciliation of the nations. They followed this advice, and found themselves and the world plunged in an unprecedented state of adversity. This, they thought, is not the way. The effect of the crisis was, moreover, to place almost insurmountable difficulties in the path of constitutional government. Brüning had to face all the unpopularity which drastic economies entail. He found himself unable to discharge his tasks in the face of parliamentary and popular opposition. He was driven to govern without the Reichstag, by means of emergency decrees, thus preparing the way for dictatorship. Setting out to defend the constitution of Weimar, he was forced by the pressure of events to demonstrate its weakness. But outside Germany, the economic crisis was proving fatal to hopes of international stability and co-operation. It meant a *saufé qui peut* behind national frontiers; it meant all the friction which the exclusion of the trade of neighbours, looking desperately for markets, entails. It turned the efforts of every nation towards its own independent salvation. And on the top of all this was the danger of internal disturbance to which hard times necessarily

give rise. This was not an atmosphere favourable to the peace of the world.

The connexion between domestic discontent and the danger of international strife may not perhaps strike the reader as intimate or obvious. Fortunately illustrations of the process entailed are readily forthcoming. The economic crisis, in its earlier phases in 1930, produced an immediate epidemic of revolutions in South America. Among the countries affected were Peru and Bolivia, both of which experienced a sudden change of government. In both cases the new administration was before long engaged in hostilities with a neighbouring country. In the Leticia dispute (see pp. 201-3), while the original disturbance was not the work of the Peruvian Government, yet violent dissatisfaction with the agreement arrived at by its predecessor was not only an important factor in the case, but was definitely the reason for the official support and sympathy which the filibusters subsequently received, and which magnified an irresponsible incident into a war. In Bolivia, though the recrudescence of the Chaco dispute with Paraguay preceded the revolution, the rapid deterioration in the relations and behaviour of the two countries seems to date from this event.

Even more clearly, it was the economic crisis which was responsible for the disastrous events which were destined to ensue in the Far East. Here we touch upon a development possibly more fraught with danger to world peace than even the troubled situation of Europe—the conversion of Japan and her people to a policy of militarism. There can be no doubt that the motive here was economic, having regard to the decisive control exercised by the highly concentrated power of ‘big business’ upon the Japanese political parties. The two largest concerns, Mitsui and Mitsubishi, which between them are responsible for more than half of the export trade of the country, completely dominate the Japanese Parliament. But, apart from this, the desperate necessity for economic expansion in order to feed the large and growing population of the country sufficiently explains why, when the methods of peaceful competition failed, a more sinister alternative should be adopted.

'Racked by the remorseless turning of the economic screw in the long-drawn-out course of the world depression, the Japanese people at last followed the lead of the Japanese army in reverting from the policy of commercial expansion to the policy of military conquest. . . . They despaired of continuing the attempt to win their national livelihood in the economic field, in which "intelligent management" seemed doomed to frustration by inhuman forces beyond human control; and in this mood they returned to the primitive, crude expedient of attempting to hack out a livelihood with the sword, simply because the sword, however rough and clumsy a tool it might be, was at least a tool which the human hand seemed capable of grasping and wielding for the possible attainment of human ends.'¹

In these words of Mr. Toynbee's, there is summed up not only the situation of Japan, but the world-wide influence of the economic depression as a threat to peace. Other clouds were rising, to obscure the apparently shining prospects of the year 1930, but this alone was sufficient to cast a shadow upon men's faith and hope in peace and a durable civilization, which still broods heavily over the future.

¹ *Survey of International Affairs*, 1931, p. 403.

XVII

THE ECONOMIC CRISIS AND THE END OF REPARATION

The Young Plan

THE reader will have observed that in the preceding section of this work the subject of reparation has not been mentioned. Logically, there is no doubt a stage in the history of this topic between the adoption of the Dawes and Young plans, but in practice there was nothing to record. The payments due under the Dawes Plan were made punctually, smoothly, and with apparent ease, and, since the Young Plan did not supersede them until May 17th, 1930, this happy state of things continued during the whole 'period of fulfilment' with which Part II is concerned. All was quiet on the Reparation front.

The Agent-General, Mr. Parker Gilbert, had, notwithstanding, continually pointed out that the Dawes Plan was not, either in intention or in fact, a final settlement of the problem. It was described by its authors as 'a settlement extending in its application for a sufficient time to restore confidence' and 'framed to facilitate a final comprehensive agreement as to all the problems of reparation and connected questions, as soon as circumstances make this possible'.

One of these 'connected questions' was, of course, the occupation of the Rhineland, to the termination of which Herr Stresemann's 'policy of fulfilment' was mainly directed: so long as it continued, the resumption of cordial relations between Germany and her former opponents was evidently impeded, and, as time went on, the German people evinced increasing impatience at the postponement of this reward of good behaviour. The unexpected ease with which the conditions of the Dawes Plan seemed to have been carried out produced, moreover, a widespread impression that the time was now ripe for a final settlement.

Accordingly, during the session of the League Assembly in September 1928, an agreement was announced, as the result

of informal discussions between the Powers concerned, for the opening of official negotiations in regard to the early evacuation of the Rhineland, and for the appointment of a Committee of financial experts to work out a complete and definitive settlement of the Reparation problem. On this Committee, unlike that which had produced the Dawes Report, Germany herself was to be fully represented. In January 1929 the experts were accordingly appointed, and in the following month the Committee assembled, under the chairmanship of the leading American representative, Mr. Owen D. Young.

Since the settlement which it was charged to evolve was to be a final one, the task of the Committee was not only to assess the total amount payable by Germany, and the period over which it was to be paid, but also to arrange for the abolition of the foreign controls which had so far been imposed. Under the Dawes Plan, the responsibility for transferring the payments into foreign currencies had been laid upon the creditor countries, but, as a corollary, they had been given extensive powers of control. The unsuitability of incorporating such provisions in a final arrangement had been emphatically pointed out by the Agent-General in several of his reports, especially in that for 1927.

'The very existence of transfer protection . . . tends to save the German public authorities from some of the consequences of their own actions, while on the other hand the uncertainty as to the total amount of the reparation liabilities inevitably tends everywhere in Germany to diminish the normal incentive to do the things and carry through the reforms that would clearly be in the country's own interests. . . . Neither the reparation problem nor the other problems depending upon it will be finally solved until Germany has been given a definite task to perform on her own responsibility, without foreign supervision and without transfer protection.'

This removal of the responsibility of transfer from the shoulders of the recipients to those of Germany was in fact the fundamental distinction between the proposals of the Young Report, which was completed on June 7th, 1929, and those of the Dawes Commission. But this change introduced

an element of uncertainty as to the amounts which the debtor would be able to pay over a long period, and, in order to obtain agreement upon an amount sufficiently large to satisfy the demands of the creditors, it was considered essential to divide it into two categories, of which one alone would be unconditional. In the opinion of the German experts, the capacity of Germany to pay varied, accordingly as the annuities were entirely unconditional or whether some part was to be payable under arrangements for postponement in the event of financial and exchange difficulties.

The unconditional annuities were limited by the plan to 660 million Reichsmarks (about £33,000,000) which corresponded to the mortgage interest derived from the German State Railways under the Dawes Plan. The total annuities payable rose gradually in the first thirty-six years from RM. 1,707.9 million to RM. 2,428.8 million. In 1966 they were to begin at the lower figure of RM. 1607.7 million, rise gradually to RM. 1,711.3 million in 1981, and thenceforward fall sharply, ending in 1988 with a payment of RM. 897.8 million. In the case of the conditional part of these annuities, the German Government was entitled to postpone *transfer* into foreign currencies for a period not exceeding two years; the sums payable were, nevertheless, to be paid in Reichsmarks to the Bank of International Settlements which had been created, as an integral part of the scheme, to perform such financial functions of the agencies existing under the Dawes Plan as it was necessary to continue.¹ In times of exceptional stress, *payment* to half the amount of the conditional annuity might likewise be postponed, if transfer had already been postponed for one year.

Notwithstanding the provision of these safeguards, the Young Committee does not seem to have entertained any doubt as to the capacity of Germany to continue the payment of the whole of the annuities, which represented indeed an average reduction of RM. 500 million a year on what she had hitherto been paying with apparent ease. As a further

¹ In fact the reparations issue served as an opportunity for setting up an international banking institution which had been for some time an aspiration in many quarters.

concession, the provision of the Dawes Plan, providing for additions to the standard annuity in accordance with the movements of an Index of Prosperity, was abolished. The real reasons for the subdivision of the annuities into conditional and unconditional were, firstly, to satisfy the German negotiators; secondly, to facilitate the mobilization of a portion of the reparation debt; and thirdly, to provide against difficulties of transfer. To us, at the present day, the optimism of the Committee may appear strangely short-sighted, but it was none the less sincerely entertained and expressed in the Report. As a result, it was not considered essential to renew the safeguard provided by the Dawes Plan against the effects of a fall in gold prices and the consequent increase in the real burden. In view of subsequent events, this omission was important.

In the course of the Committee's proceedings, a number of contentious points had emerged. The first was a claim on the part of Belgium to cover the loss on the depreciated German marks left in that country after the War. This claim, which had been discussed and rejected in Paris in 1919, was left to be settled by separate and direct negotiations. The second difficulty arose over the relation between reparation payments and inter-Allied debts. Though the *de facto* connexion played an important part in the calculation of the sums to be paid and accepted, it could not, in view of the attitude of the United States, be recognized in the Report itself: it was, however, acknowledged in a concurrent memorandum, signed by the members of the Committee other than the American representatives. This memorandum provided for an apportionment between Germany and her creditors of any reduction in the latter's payments to the United States. But the most important controversy arose over the question of distribution. There was a complete departure, to the detriment of Great Britain, from the percentages agreed upon at Spa in 1920 (see p. 33). In respect of the unconditional annuities in particular, the arrangement was peculiarly disadvantageous to Great Britain. Of these, roughly five-sixths had been allotted to France, and Great Britain was thus mainly put off, as was subsequently observed by

Mr. Snowden (now Viscount), with 'ordinary shares of a perhaps not very sound concern, whereas the unconditional payments might be regarded as first-class debentures'. Nor had due allowance been made for arrears owing to Great Britain on account of the fact that she had started paying the United States before receiving anything on War debts account from her Allies.

The Hague Conferences

At the Hague Conference of August 1929, called to settle the question raised by the Young Report, Mr. Philip Snowden took an early opportunity of expressing his complete dissatisfaction with the proposals. In the firm attitude which he assumed, he was reinforced by a telegram from the Prime Minister, stating that he was supported by the whole country, without distinction of party. In these circumstances, he ultimately secured the greater part of his claim. The difference between the Spa and Young percentages amounted to some £2,400,000 a year. Mr. Snowden secured £1,800,000, or practically £2,000,000 when the interest on the interval between the dates of receipt and of payment to America is taken into consideration. Against the amount of unconditional annuity claimed (£6,000,000 for the British Empire) he secured the equivalent of £4,550,000. Mr. Snowden had further objected to the proposal to permit deliveries in kind in diminishing degrees for a period of ten years; and to permit the re-exportation of such deliveries. Under this head, also, he succeeded in obtaining some satisfaction.

The first Hague Conference was followed, on January 3rd, 1930, by a second in the same place, which was mainly concerned with the question of establishing wilful default now that the Reparation Commission was to be abolished, and with the imposition of sanctions in such an event. These questions were solved, from a technical point of view, by an agreement to submit the question of default to the Permanent Court of International Justice, with a power to the creditors to reserve full liberty of action in the event of a decision in their favour. The Conference further dealt with the problems of safeguarding the assigned revenues,

and of dates of payments. A number of outstanding questions connected with the payment of non-German reparations were settled at the same time.

Meanwhile, the opposition to the Young scheme by the German Nationalist party under Herr Hugenberg had been defeated, both in the Reichstag and on a subsequent referendum, by overwhelming majorities. Ratification of the plan, after the second Hague Conference, proceeded smoothly, and on May 17th it came into force. The importance of this event, as of Mr. Snowden's victories at The Hague, depended, however, on the correctness of the assumption as to Germany's capacity to pay. In fact, though the closing stage of the reparation problem was now in sight, the end was to take a very different form from anything hitherto contemplated.

Fall in Prices of Raw Materials

Even before the occurrence of the world economic crisis, signs had not been lacking to suggest that the optimism of the Young Committee was ill founded. A catastrophic fall in the prices of foodstuffs and other primary products, such as wool and cotton, had already begun. In spite of the unexampled prosperity which the United States appeared to be enjoying in 1929, there was, even in that country, a serious agricultural depression. The causes of this phenomenon have been much discussed, and variously diagnosed, and it is no part of the functions of this book to go deeply into them. The maldistribution of gold, leading to shortage in most countries of the world, no doubt played its part in lowering prices. The main cause, however, would seem to have been over-production in relation to effective demand. It is often observed that there was at no time absolute over-production, and the phenomenon is usually presented as a paradox, since great distress was associated with the existence of unprecedented plenty. There is, however, no true paradox. What the bulk of mankind have to offer in exchange for their daily bread is the services of their brain and muscle, and these things are obviously of less value in conditions of over-production. Unemployment and consequent distress follow logically when the stocks in existence are greater than can

readily be disposed of. Under conditions of *laissez-faire*, the over-production is automatically corrected by the ruin of a large number of producers, but agriculture is a factor of such vital importance, both politically and economically, in most countries of the world, that it tends to be artificially supported. The national farmer is encouraged to go on producing, while his market is restricted by the imposition of tariffs and other measures calculated to exclude the competition of his foreign rivals. Thus the over-production continues, accompanied by a shrinkage of markets and a decline of purchasing power. It is much easier, too, in the case of agriculture, to reach the saturation point of demand than in the case of manufacturing industries. A prosperous and wealthy man can expand his demand for industrial products almost indefinitely, but his capacity for food is limited, and not greatly larger than that of a poor man. There is a tendency, too, for a farmer to increase his production in bad times. If one litter of pigs will not pay the rent or the mortgage interest, he sells two. Hence the disease of glut is not corrected, and a large section of the world's population loses its purchasing power, with reactions upon the whole community. This process had already begun in 1929, but its inevitable effects were to some extent masked because, so far, credit and loans were easily come by. The main source of these alleviating supplies was, at this time, the United States of America.

The Slump in America

The Young Report was signed, as has been said, in June 1929. At that date the United States were apparently enjoying an unexampled prosperity. The Americans are a highly impressionable people, and this state of things had gone to their heads. Readers old enough to have read *The Golden Butterfly*, by Sir Walter Besant and James Rice, will recall the remarkable geological theories of Mr. Gilcad P. Beck, the fortunate oil-striker, who regarded the world as a vast pumpkin pie, the crust of which covered a juice consisting entirely of petroleum. "At Rockoleaville," he went on, "I've got the pipe straight into the middle of the pie, and right through the crust. There's no mistake about that main shaft. Other

mines may give out, but my Ile will run for ever." In a similar spirit, the public of the United States, in the early part of 1929, imagined themselves to have tapped the springs of an inexhaustible and eternal prosperity.

The ordinary slump of a trade cycle is usually attributed to the unco-ordinated optimism of manufacturers, each of whom over-estimates the extent and duration of his market. Where there is a demand for ten hats, each of ten mad hatters estimates his share at ten rather than one, and a hundred hats are produced, which have to be disposed of at a loss. This sort of thing was now happening in America on a vastly exaggerated scale. In 1929 the United States produced 5,358,000 motor-cars, 55 million tons of steel, and about three pairs of boots per head of the population. The capacity of the plant, in the last example, was three times that quantity.¹ Other production was proportionate. The home demand was obviously no longer even approximately adequate. The success of operations on this scale depended on the continuance of purchasing power in the outside world. At the same time, the tradition of a nation till recently self-supporting, with huge domestic resources and an exalted standard of wages, led the United States to exclude, by high tariffs, the goods which the world could offer in exchange. In these circumstances how had the illusion of prosperity been so far maintained? The answer has been given with characteristic lucidity by Mr. Walter Lippmann.

In 1928, the last full year of prosperity, he says, 'we sold about 850 million dollars more goods abroad than we bought. We also had coming to us that year about 200 millions on the War debts, and about 600 millions net return on our foreign investments. How did our foreign consumers and debtors get those 1,650 millions to pay us? They got 660 millions from the tourists. They got 220 millions from immigrants here who sent money home. . . . Where did they get the rest? They got it out of the 970 millions which we loaned to them that year.'²

This illusory source of payment was already drying up. At this time the whole American population was engaged in

¹ See address on 'Unemployment in the U.S.A.' by H. B. Butler, *International Affairs*, 1931, p. 184.

² Lippmann, *Interpretations, 1931-1932*, p. 46.

a wild orgy of speculation. The money formerly invested in foreign countries was diverted into a new channel. More, the high rate attainable, through the demand for money to gamble with, drew funds from Europe, where they were needed, to America, where they were not. This in itself had a deleterious effect on the industry of the outside world. As loans were no longer available, the debts of Europe had to be paid in gold, which, flowing to a country which had no use for it, was to all intents and purposes returning to the mine. When gold is scarce, prices fall, for a little gold is worth much in goods; prices fell accordingly, even before the American slump came, reducing purchasing power and the capacity of debtors to pay.

In October 1929 the inevitable collapse began. In one day the value of shares on the New York Stock Exchange broke five billion dollars. There was a temporary recovery, followed in November by another precipitous fall. The stunned speculators were out of action, lending entirely ceased, and all available funds were recalled. As a result the world slipped with a crash from the shoulders of the Atlas who had been sustaining it.

Situation in Germany

During the easy years of the Dawes Plan, on which the Young Committee had based their estimates, American money had been making a kind of circular tour—to Germany, from Germany to the claimants of reparation, and from these back again to the United States in the form of War-debt payments. It is significant that, in the years 1927 and 1928, Germany had borrowed from abroad over 2,000 million dollars, or five times the amount payable in reparation. A glance at the budgets of the Reich for the years in question shows indeed an expansion in revenue from 7,757 million Reichsmarks in 1924 5 to 10,581 million Reichsmarks in 1929 30, but this had been accompanied by a more than equivalent growth in expenditure, which had left a substantial deficit in every year except the first. The accumulated deficit, when the crash came, amounted to over 1,200 million Reichsmarks. This situation, hitherto masked by the pre-

carious expedient of short-term borrowing, could no longer be dealt with by this simple but dangerous method. It was faced with heroic determination by Dr. Brüning, when he took office as Chancellor in 1930, but it was too late, and the stern measures which he was forced to adopt only contributed to his ultimate downfall.

The failure of the Austrian Credit-Anstalt

The earliest repercussion of the crisis in Europe did not, however, occur in Germany. On May 11th, 1931, it was discovered that the Austrian Credit-Anstalt, a private but highly important Viennese concern, which had become an integral part of the financial structure of the world, was threatened with insolvency. On the 28th the Austrian National Council passed a Bill authorizing the state to guarantee the foreign debts of the Credit-Anstalt, and on the following day the Bank for International Settlements announced that a foreign exchange credit from ten of the largest central banks as well as the B.I.S. itself would be placed at the disposal of the Austrian National Bank. In spite of these measures, credit was widely shaken, and before the end of May there began an alarming withdrawal of foreign funds from Germany, where a sense of political insecurity added to the suspicions attaching to the economic situation. During the first week in June the alarm was increased on the one hand by Communist riots in the Ruhr, and on the other by the signature of an emergency decree imposing drastic cuts and increases in taxation. By the middle of the month withdrawals of foreign funds from Germany had reached the total of one milliard Reichsmarks. The Austrian situation had meanwhile suffered through the resignation of the Cabinet and the failure of negotiations in Paris for financial support—probably due to an attempt to exert political pressure in relation to the proposal for a customs union with Germany (see p. 302). On June 16th the advance of 150 million schillings by the Bank of England to the Austrian National Bank temporarily saved the situation in this quarter. But by this time the world-wide nature of the crisis was becoming manifest. Australia had for some

time been wrestling with bankruptcy, the difficulties of New Zealand were nearly as acute, Turkey and Japan were instituting drastic public economies, and in Europe Italy was facing a deficit of about £10,000,000 and Belgium one of £5,714,000. These examples are by no means exhaustive. At this juncture President Hoover came forward as the *deus ex machina* with his proposal, published on June 20th, for a moratorium of one year on all inter-governmental debts.

The Hoover Moratorium

The efficacy of this move on the part of the American President depended on its immediate adoption. Most countries, indeed, were ready to accept the proposal, but France demurred, and France, owing to the volume of the short-term credits held by her citizens in foreign financial centres, occupied a commanding strategic position. Though her objections were met by July 6th, on which date Mr. Hoover announced the acceptance of the moratorium by all important creditor Powers, the run upon Germany had meanwhile been continued with increasingly disastrous effects. On the very day of the announcement, 100 million marks of foreign exchange were drawn from the Reichsbank, and on the following day that institution drew upon its last disposable reserve. The situation was rendered more acute, on the 7th, by the failure of the Norddeutsche Wollkämmerci und Kammgarnspinnerei, one of the largest industrial concerns in Germany, with losses of over 200 million marks. On July 13th the Reichsbank declared its inability to give further support to private banks in Germany, and on the same day the Darmstädter und Nationalbank, one of the three great joint-stock banks in Germany, closed its doors. Next day the Government declared a two-days' emergency bank holiday for all the banks in Germany except the Reichsbank.

The London Conference

On July 20th an influentially composed Conference met in London to examine the financial crisis in Germany. This, however, broke down through the intransigence of France, who insisted upon unacceptable political as well as financial

guarantees as the terms on which she was prepared to afford the assistance required. As London was by this time *hors de combat*, and New York was unwilling to undertake fresh risks unaccompanied, the French were masters of the situation, and the Conference accordingly proved abortive. All that was achieved was a recommendation to the central banks and private financial houses to adopt palliative measures which they had already to some extent undertaken on their own initiative. On August 19th, following upon the publication of the report of the International Bankers' Committee at Basle (the Layton-Wiggin Report), a Standstill Agreement was initialled by the representatives of the bankers, providing for a six months' prolongation of all banking credits in Germany, expressed in terms of foreign currencies, which were thereby 'frozen'.

The crisis in Great Britain

In England, meanwhile, the publication of the Macmillan Report on Finance and Industry, on July 13th, had been immediately followed by a serious withdrawal of gold to France and Belgium. During the week ending July 25th bar gold to the value of £21,000,000 was withdrawn, mainly to France. On July 31st the Report of the May Committee on National Expenditure was published, forecasting a budget deficit of nearly £120,000,000. The run continued, with increased momentum. On August 1st it was announced that the Bank of France and the Federal Reserve Bank of New York had each placed at the disposal of the Bank of England a credit for £25,000,000, but so serious was the drain that 80 per cent. of this large credit was exhausted within four weeks. On August 12th the members of the Cabinet were recalled from their holidays to grapple with the situation, but, under pressure from the Trades Union Council, a number of Ministers refused to face the adoption of the necessary economies. On August 23rd the King returned from Balmoral, and on the following day the formation of a National Government from members of all three political parties was begun.

On September 9th a Bill was introduced in Parliament to

effect economies estimated at £70,000,000, and on the following day Mr. Snowden introduced a supplementary budget making provision for balancing that of the coming as well as the current year. These drastic expedients might have successfully achieved their purpose, but on the 15th the news was published of a mutiny among some of the lower naval ratings at Invergordon, who were discontented with the proposed reductions of pay. This was misconstrued abroad into a revolutionary movement of serious importance, and the confidence which the new Government had begun to re-establish was destroyed at a stroke. On September 21st Great Britain, to the consternation of the world, had been forced off the gold standard.

On October 6th Parliament was dissolved and a memorable general election took place, which established in an emphatic way the fundamental common sense of the British electorate. On the one side, that of the Labour 'rump', the very existence of the crisis was questioned, and the events described were dismissed as a 'bankers' ramp'; the necessity of the economies proposed was consequently challenged, and the party candidates were in a position to make most of the usual promises to the electorate. On the other side, there was no programme, and there could be no promises. There were grim references to the necessity for sacrifice as the only prelude to safety. In the result, the National Government, to the embarrassment of some of its candidates, was victorious even in constituencies hitherto regarded as the impregnable stronghold of Socialism, and its opponents were practically annihilated. In the new House of Commons the supporters of the Government numbered 554, while the Labour party returned with only 52 survivors.

The impression on the outside world was immediate and far-reaching. Great Britain regained her prestige, and the value of her now unprotected pound hardly declined below 70 per cent. of its previous gold value. It soon became evident, indeed, that it was to the interest of other Powers to follow the British example and the fortunes of sterling by abandoning the gold standard; in the meanwhile the slight depreciation acted as a useful export bonus. A step, the

wisdom of which was challenged by most of the orthodox economists, and which led eventually to the secession of many of the Liberal members from the support of the Government, was the abandonment of the traditional free-trade policy of the country. It may be doubted, however, whether Great Britain could any longer afford to remain the one free market in a world of universal tariffs, and in any event the restriction of imports was a temporary necessity. The policy adopted was further justified by its supporters as providing a bargaining weapon by which the worst evils of economic nationalism could be combated, and as a basis of trade agreements, both inter-imperial and with foreign countries, out of which a trustworthy raft could be constructed in the surrounding deluge.

The policy would certainly seem to have been so far justified by results. Balanced budgets, trade improvement, and a great and steady reduction in the figures of unemployment have marked its progress. The return of confidence in the financial stability of the country has been exemplified by the success of conversion operations on an unprecedented scale.

The Lausanne Conference

As a consequence of the crisis, the German Government announced, in November 1931, that the future transfer of reparation annuities would endanger the economic life of the country. A special committee was accordingly convened by the Bank for International Settlements, to advise on the situation. The advisory committee, which met at Basle on December 7th, reported, towards the end of the month, that the transfer of the conditional annuity for the year beginning in July 1932 would not be possible.

The report concluded by emphasizing the necessity for an adjustment of all inter-governmental debts. In consequence of this report a conference was arranged, which met at Lausanne in June 1932. The date originally proposed had been January, but delay was occasioned by negotiations between Great Britain and France, who had strongly divergent views on the question of Reparation. The United States was precluded from association with the Conference or the

preliminary discussions, since Congress in December had passed a resolution that 'it was against the policy of Congress that any of the indebtedness of foreign countries to the United States should be in any manner cancelled or reduced'. Great Britain proposed a six months' moratorium, to be followed by a conference in the autumn, by which time it was hoped that the American view might have been modified. The proposal was unacceptable to France because she thought it meant the end of reparation, and to Germany because she thought it did not. Discussions, however, continued, and when the Conference met in June a basis of settlement was arrived at. Reparations were abolished, subject to the delivery by Germany to the Bank for International Settlements of 5 per cent. redeemable bonds with 1 per cent. sinking fund to the amount of RM. 3,000,000,000 or £150 million. The Bank had authority to negotiate any of these bonds by public issues at a price not lower than 90 per cent. three years after the date of the agreement, though it was never anticipated that these bonds would be issued in full. But a contemporary agreement signed by the creditor Powers on July 2nd made ratification dependent upon a satisfactory settlement between them and their creditors, i.e. with the United States. The questions of Reparation and War-debts were thus once more inextricably linked together, but so far as the former was concerned, the possibility of its resuscitation was generally regarded as negligible.

War-Debt Negotiations

The centre of interest was now shifted to the United States. The upshot of the conversations held between President Hoover and M. Laval, the French Prime Minister, in October 1931, had been a joint *communiqué* which contained the following passage:

'In so far as inter-governmental obligations are concerned we recognize that prior to the expiration of the Hoover year of postponement, some agreement regarding them may be necessary covering the period of business depression, as to the terms and conditions of which the two Governments make all reservations. *The initiative in this matter should be taken at an early date by the*

European Powers principally concerned within the framework of the agreements existing prior to July 1st, 1931.'

This statement it was natural to construe, firstly as an admission that the relationship between War-debts and Reparation was now recognized in America, and secondly as a direct invitation to Europe to take the steps which in fact were taken at Lausanne. Events were, however, to prove that the gulf between what was seen to be economically desirable by instructed opinion and what was politically feasible in a democratically governed country like the United States was far from being bridged. A particular difficulty arose from the fact that the question had become critical on the eve of the American presidential elections, which fell due in November 1932. There was a tacit understanding, indeed, on the European side, that the issue ought not to be raised until the election had taken place. In the American campaign, however, both parties were pledged to oppose cancellation of the debts, and both candidates expressed apprehensions of a united European front in the matter.

Instructed opinion, in the United States as elsewhere, was convinced that complete cancellation would be in the interest of America as well as the rest of the world.¹ Since payment in gold was an expedient which could not be pursued much further, and payment in goods and services had been blocked, it followed that a payment of War-debts to America would be reflected in a diminution of her exports. The loss sustained in the United States through the world-depression was immensely greater than the full amount receivable in respect of War-debts. Since 1928-9 the States had lost about 700 million pounds' worth of exports, as compared with a debt of £40 to £50 million payable to her by the world as a whole. At the same time, it was difficult to get a poor farmer of the Middle West, hard pressed by his creditors, to appreciate the argument that there was any advantage in forgiving a debt to the foreigner which must in that case be discharged by the American tax-payer, and the arguments necessary to

¹ See Moulton (H. G.) and Pasvolsky (L.), *War Debts and World Prosperity*, 1932, Washington (Brookings Institute).

persuade him were considered too dangerous to be used by politicians dependent upon his vote.

Immediately after the presidential elections, Notes were almost simultaneously presented by the British and French Governments, asking for a suspension of payment of the instalments due in December, pending discussion of the whole question. The coincidence in date between the two appeals produced a rather unfortunate impression of the united front which had been feared, and the answers returned were unfavourable. This called forth, on December 1st, a British statement of the whole case for remission which is regarded in many quarters as unanswerable, and which should be studied in detail by all who are really interested in the subject.¹ The American Government, however, was unmoved, and refused to consent to the postponement of the instalments due either from France or Great Britain. In these circumstances, the British Government paid the whole instalment in gold, with the proviso that they intended to treat it as a capital payment in any final settlement, but the proposal of the French Government to pursue a similar course was defeated in the Chamber, and France accordingly defaulted on this payment. In order not to reopen or disturb the Lausanne agreement, Great Britain did not make any demand for payment from her own debtors.

Further negotiations were for the moment somewhat impeded by the practical interregnum which intervened before Mr. Roosevelt's assumption of office, in March 1933, as the new President. By January, however, it had been tacitly agreed between him and Mr. Hoover that the President-Elect should assume the requisite measure of control. An exchange of ideas, particularly desirable in view of the forthcoming World Economic Conference, was thereby rendered possible. Mr. Neville Chamberlain, however, made it clear that Great Britain was only prepared to discuss revision of War-debts on condition that the settlement must be final and that the Reparation question must not be reopened. America, on her part, made her attendance at the forthcoming Economic Conference conditional on the exclusion

¹ *Cmd.* 4210 of 1932.

of the War-debt problem from its agenda. The question therefore remained unsettled, and the problem of the next instalment, due on June 15th, 1933, was met by a token payment of 10 million dollars in silver.¹ Six of the remaining debtors made no payment, and the only country paying in full was Finland, which discharged its small instalment of \$148,592.

The World Economic Conference

The World Monetary and Economic Conference, which met in London on June 12th, 1933, was the fulfilment of a project suggested at Lausanne, and it was consequently very difficult to dissociate it from the one question on which the completion of the labours of the former Conference depended. As a matter of fact, War-debts were mentioned by Mr. Ramsay MacDonald in his opening address, and were referred to as an essential preliminary problem by various other delegates. But this, while it excited some irritation in America, had no important effect upon the fortunes of the Conference. The pivot upon which the whole prospect of a successful issue to the Conference turned was the question of currency stabilization. The importance of this issue had been emphasized by the new American President himself as recently as May 16th when he had stated that 'the Conference must establish order in place of the present chaos by a stabilization of currencies', and when the United States delegation sailed for England this was the policy to which they were nominally committed. It was also the one important point which united the otherwise divergent views of the gold standard countries and the rest. Finally, though the Conference was divided into two Commissions—one Economic and Commercial, the other Monetary and Financial—and into numerous sub-commissions, the event proved that the work of all depended upon the satisfactory settlement of this primary issue. As the hopes of political reconstruction centred

¹ Similar treatment was applied by Great Britain to the December instalment. But in June 1934 legislation in the United States ruled out token payments as a means of avoiding default. Faced with the alternative of a full payment, which they described as a policy heading straight for calamity, the British Government, on this occasion, paid nothing.

upon Versailles were dashed in 1920, so those which hung upon the Economic Conference in London were upset in 1933, by a sudden reversal of policy on the part of the United States.

The economic blizzard which had blown its first gusts on the New York Stock Exchange in the autumn of 1929 had thenceforward grown swiftly to the devastating force of a tornado. By the end of December 1931 more than two thousand banks in the United States were closed. Each failure caused fresh runs and increased hoarding, each run terrified the surviving banks into the sale of investments and the recall of loans. The value of even the soundest securities declined precipitously, till not even the most cautious investor could feel safe. The ruin spread with cumulative rapidity. On March 4th, 1933, when President Roosevelt was sworn in, the whole national banking system appeared to have collapsed, and nearly fifteen million wage-earners were unemployed. On the previous day 116 million dollars in gold were withdrawn from the Federal Reserve Bank. The first step taken by the new President was to proclaim a four-days' bank holiday, the next to ask Congress for wide emergency powers which the panic-stricken Americans were only too ready to grant to a leader who was calmly and confidently prepared to take control. On April 19th the United States abandoned the gold standard.

The immediate effect in the rise of dollar prices suggested to the Administration a temptation which revolutionized all the views previously held on the advantages of early stabilization. The decline of the dollar was now regarded as an essential ingredient in recovery. On June 22nd the United States delegation announced at the Conference that 'the American Government at Washington finds that measures of temporary stabilization now would be untimely'. On June 30th a formula was found by the five nations of the gold bloc together with Great Britain and the United States, which was designed to restate a belief in the speedy establishment of stability in a generally acceptable form. On Monday July 3rd a message was received from President Roosevelt vigorously repudiating it. This message really

killed the Conference, which rambled on in an atmosphere of increasing unreality till July 27th and then adjourned with practically nothing of its great task accomplished. It was one of the major disappointments of post-War history. The now habitual oscillation of the United States between interference and isolation had once more played a decisively destructive part.

Of the highly controversial and apparently inconsistent measures thenceforward promoted by the new Administration with a view to American recovery, it is not the province of this work to speak. Their results, moreover, are still a matter of complete uncertainty at the moment of writing, though America has undoubtedly an asset of the highest psychological value in the serene and vigorous personality of her new President. But the Blue Eagle, the N.R.A., and other much canvassed associations of initials, belong to the domestic history of the United States, not to that of international relations.

XVIII

CHINA, MANCHURIA, AND JAPAN

The Question of Extra-territoriality

WITH the formation of a Government which had at least superficial claims to speak for the whole of China, the problem of extra-territoriality naturally acquired a new urgency and importance. As early as December 1926 a British memorandum had expressed willingness to negotiate on this and kindred questions so soon as a Chinese Government existed with which such negotiation was possible. Before the end of 1928 five European countries had agreed to relinquish extra-territoriality as soon as the principal Treaty Powers were prepared to do so. Thus encouraged, the National Government of China reopened the question in a Note addressed to the United States, Great Britain, and others, but found that these were not yet prepared for an immediate abandonment of their treaty rights. In 1929 the State Council issued a mandate unilaterally abrogating such privileges as from January 1930, but in fact the existing situation continued to be recognized, pending the results of further negotiations with the representative of the British Government. In 1931 the issue seemed to be narrowing to the question of a transitory local régime in four treaty ports: Shanghai, Hankow, Canton, and Tientsin. Of these, the problem of Shanghai was the most important, and by far the most complicated. Technically, the question of the rendition of the International Settlement was a matter within the exclusive competence of the Shanghai Municipal Council, and was independent of British policy; in practice, however, the attitude of Great Britain was all-important. In Shanghai, since 1930, an inquiry had been conducted by Mr. Justice Feetham, a distinguished South African judge of British origin, at the instance of the Municipal Council. His report was presented in two parts in April and July 1931. While it considered that the ultimate rendition of the Settlement was not only justifiable but necessary, the report maintained that

the objections to anything like an immediate adoption of the policy were overwhelming, and that it was 'inevitable that a long transition period should still intervene' before the requisite conditions could be fulfilled. In another passage this period was represented to be one of 'not years, but decades'.

In the meantime, it was becoming increasingly clear that the foundations of such unity as had appeared to exist in China were breaking up, and that a period of political chaos—the duration of which it was impossible to forecast—lay ahead. This difficulty was to some extent recognized even by the Chinese negotiators. But a National Convention was due to meet on May 5th, 1931, and, as a bid for domestic support, on the previous day a new mandate was issued from Nanking, announcing the break-down of the negotiations which had been in progress with Great Britain, and the completion of regulations to put in force the provisions of 1929, abolishing extra-territorial privileges, as from January 1st, 1932.

Negotiations nevertheless continued, and the statements as to their progress made from time to time by Mr. Henderson, the British Foreign Secretary, created an impression that a treaty was on the point of being negotiated. In view of the opinions expressed in the Feetham report, considerable anxiety was felt in many quarters, and this was increased in the course of the summer by the fate of a young Englishman named Thorburn, who had been arrested by Chinese soldiers in June, and had, as subsequently transpired, been shot by their commander.¹ In these circumstances, considerable relief was felt when the operation of the second mandate was further postponed, at the close of the year, and the negotiations with Great Britain allowed to lapse, as a consequence of the international situation brought about by the action of Japan, which will be the main subject for consideration in this chapter.

Recurrence of Anarchy

Indeed, before this date, it had become increasingly evident that the unification of China, which seemed to be

¹ He had himself shot a Chinese gendarme.

approaching by the end of 1930, was neither complete nor durable. The tradition of centuries led the Chinese peoples, as the Lytton Report points out (p. 17), 'to think in terms of family and locality, rather than in terms of the nation, except in periods of acute tension between their own country and foreign Powers'.

In many parts of the country Communism was still in the ascendant. Communist Governments, with their own laws and army, continued to exist in Kiangsi and Fukien. In the central executive itself there was a fundamental cleavage of opinion between those who wished to prolong 'the period of tutelage', prescribed by Sun Yat-sen, and those who were anxious to curtail it, less from any real belief in democracy than from a desire to check the existing power of the politicians in the interests of the military leaders. In February 1931 the protagonist of the former point of view, Hu Han-min, Chairman of the Legislative Yuan, was arrested and interned by Chiang Kai-shek, who carried his point in the constitution adopted by the National Convention in the ensuing May. But the split led to a definite secession in the south, where a rival government was once more set up in Canton. Efforts to deal effectively with the Communists were simultaneously interrupted by a military rebellion in the north, while banditry, flood, and famine added their contributions to the relapse into anarchy with which the country was threatened. At this juncture, the process of disintegration was checked, and the nation once more temporarily united, by acute tension with a foreign Power, the necessary factor suggested by the passage from the Lytton Report cited above.

Economic Needs of Japan

In the period of some sixty years, during which Japan had emerged from isolation and obscurity to become a world Power of the first political and economic importance, her population had approximately doubled, and was still increasing at the tremendous rate of about 900,000 a year. The density of the Japanese population stands third in the figures for the world, and, in relation to cultivable area, heads the list. The country is no longer normally self-

supporting, but is compelled to devote at least 8 per cent. of its total imports to foodstuffs.¹ Nor is the industry on which the support and employment of the people depends independent of outside supplies. Most of the important raw materials required have to be imported from the outside world. Foreign markets, and the prosperity of her international trade, are therefore to Japan a matter of life and death. Emigration affords no solution for the problem, and the grievance created by the restrictive immigration policy of the principal countries to which an outflow might otherwise be directed, while genuinely felt, is sentimental rather than practical.

The normal course of the Japanese export trade has had two main directions: her raw silk has gone to the United States, and her staple manufactures, chiefly cotton textiles, to Asia, especially China. The financial crash in America, which began in the autumn of 1929, has of course had disastrous effects upon the disposal of such a luxury product as silk. The Chinese trade of Japan has, on the other hand, been repeatedly interfered with by the application of boycotts of ever-increasing severity, as well as being naturally affected by the anarchic conditions of the country. The economic interdependence between China and Japan which Nature would seem to have prescribed has thus been thwarted by political causes. During the last ten years the figures of Japanese international trade have shown an average adverse balance of 268,000,000 yen and she has been obliged to export practically the whole of the gold accumulated as the result of profits made during the Great War.

A temporary alleviation has recently been provided by the depreciation of the yen, which has helped Japan to invade new markets by cutting prices to a level with which no other country can hope to compete, but it is obvious that methods of this kind are only a temporary expedient, which is bound to be met by defensive restrictions in the countries principally affected. It is important, however, for the world to realize that the successful competition of Japan is not merely the result of low wages and a depreciated exchange. The efficiency of her workmen and of the leaders of her industry,

¹ This import of foodstuffs is, however, set off by the export of other foodstuffs.

the control of which is peculiarly centralized, must also be taken into account, nor must the low wages current in Japan be confused with a low standard of living. Yet the fact remains that the effort to provide for an increasing population by a normal process of expansion of foreign trade appeared to Japan, by the year 1931, to be faced with almost inevitable failure.

Manchuria, the Historical Background

In these circumstances it was natural for Japan to attach increasing importance to the maintenance and extension of the special control which she had acquired in the large, fertile region of Manchuria. As 'the meeting ground of the conflicting needs and policies'¹ of three nations, Russia, China, and Japan, this territory was first an object of contention on political and strategic grounds. The first stage was in 1895, when, as the result of a successful war, a treaty was signed between Japan and China, recognizing the independence of Korea and ceding to Japan Port Arthur and the Liaotung Peninsula. Pressure from Russia, France, and Germany compelled Japan to relinquish these spoils of victory. In 1898 Russia occupied Port Arthur, and in 1901 acquired an effective control of Manchuria, with power to construct and administer a railway from Port Arthur to Harbin, connecting with the Trans-Siberian line. It is usual to assume that this development would have ended in the incorporation of Manchuria and also Korea in the Russian Empire, but this was prevented by the Russo-Japanese War of 1904-5 and the Treaty of Portsmouth, by the terms of which Japan acquired the Russian leasehold rights in the Liaotung Peninsula and the South Manchurian Railway as far north as Changchun, together with the right to maintain a military guard of fifteen soldiers to every kilometre, or an aggregate force of 15,000 men. During the Sino-Japanese Conference held at Peking in December 1905, the Chinese Government promised, though not in any formal document,² not to construct any main line 'in the neighbourhood of and

¹ *Lyttel Report* (League of Nations Document, 1932, vii. 12), p. 13.

² *Op. cit.*, p. 44.

parallel to' the South Manchurian Railway, or any branch line which might be prejudicial to its interests. In 1910 Japan annexed Korea.

The next stage was reached in 1915, when Japan confronted China with the famous 'Twenty-one Demands', which bear upon this question inasmuch as by a treaty consequent upon them the Japanese possession of the leased territory and of the railway was extended to ninety-nine years, and the right was conceded to Japanese subjects, which included, in the Japanese view, Koreans, to lease land in South Manchuria, and to travel, reside, and conduct business there. The validity of this treaty has been continuously disputed by the Chinese, but in the partial liquidation of the Twenty-one Demands which was effected at the Washington Conference (see pp. 53-55) these rights were never abandoned by the Japanese.

Japanese Interests in Manchuria

The strategic importance of Manchuria to Japan, both from a defensive and offensive standpoint, is inherent in its situation. Though the Kuomintang, in the later stages of its progress, had turned against its former Russian advisers, 'the likelihood of an alliance between the Communist doctrines in the North and the anti-Japanese propaganda of the Kuomintang in the South' remained a possibility which 'made the desire to impose between the two a Manchuria which should be free from both increasingly felt in Japan'.¹ Economically, Manchuria is mainly of value to Japan as a secure though limited market in a world of shrinking opportunities, and as a basis of supply for some essential raw materials, particularly the soya bean, but also important minerals such as coal and iron. A very large amount of Japanese capital has been invested in the country, a fact which makes the preservation of order and the prevention of competitive railway traffic matters of great importance. There is also the possibility of colonization, though in this respect Japan can claim but little success hitherto, the population being overwhelmingly Chinese. It includes, however,

¹ Op. cit., pp. 36-7.

a considerable number of Koreans, and, if the undisturbed settlement of these Japanese subjects could be promoted, it has been suggested that the pressure in Japan might be indirectly eased by the emigration of Japanese to vacated areas in Korea.

Causes of Friction

The question of Korean settlement has proved, however, one of the more serious causes of friction with the Chinese. The Koreans were regarded as 'a vanguard of Japanese penetration and absorption'¹ by the Chinese, their status and rights to acquire land were disputed, they were the victims of oppression and discrimination at the hands of the Chinese authorities, and their protection by the Japanese consular police was resented. On July 1st, 1931, a riot was caused by the digging by a group of Koreans of an irrigation ditch, which traversed the land of Chinese cultivators. The rioters were dispersed—without casualties—by rifle fire from the Japanese consular police, but exaggerated reports of the incident led to serious anti-Chinese riots in Korea, in the course of which 127 Chinese are said to have been killed and 393 wounded.

Study of the history of the Japanese occupation will at once reveal a number of further causes of mutual friction and irritation. The disputed validity of the 1915 treaty, the fact that the construction of parallel competing railway lines by the Chinese was only prohibited by an informal engagement, which, if binding, had certainly been seriously violated, the existence and status of the armed railway guard and of the consular police, have all contributed to increase the tension. As was pointed out in an earlier chapter (p. 245), the approach of the Chinese national forces towards Manchuria, and the incorporation of the province in China were matters which immediately aroused Japanese misgiving and protest, and were only reluctantly acquiesced in. In the summer of 1931, in addition to the feeling aroused by the Korean incident, came the murder of Captain Nakamura, a Japanese officer, by Chinese soldiers in the interior of Manchuria.

¹ Op. cit., p. 55.

By this time the Japanese claimed that there were 300 incidents outstanding between the two countries and that peaceful methods of settlement had been progressively exhausted.¹

In fairness to the Japanese attitude it should be recognized that their rights, as claimed, had in fact been persistently infringed and obstructed, the real issue between the parties being the validity of the engagements on which such claims were founded. For example, the Chinese railway construction was deliberately calculated to divert traffic from the South Manchurian Railway. The Chinese, no doubt, claimed that they had a perfect right to act as they did, but, whether this was so or not, their action was highly irritating to Japan and prejudicial to Japanese interests. The Manchurian crisis was, in fact, the final culmination of developments which had been watched with anxiety for years by observers on the spot, though they had perhaps, until recently, attracted too little attention from European Governments. Japan had observed with growing dismay the readiness of Great Britain and other Powers to concede the demands of the Nationalists, and the resultant encouragement to China to feel that she could deal as she pleased with the interests of foreign nations.

Growth of Militarism in Japan

Meanwhile the political power in Japan slipped from the hands of the Tokio Government into those of the High Commands of the Japanese army and navy, who began by imposing their will upon the civil executive and went on to make and unmake Cabinets as they chose. The movement, which was accompanied by a series of political assassinations which began in 1930 and became frequent in 1932, had the support of a public opinion rendered desperate by the economic depression and furious by the recurrence of Chinese boycotts and other causes of irritation. Such acts are a usual characteristic of periods of acute political excitement in Japan. Faith in forcible measures directed against the Chinese had been encouraged in 1929, when the seizure of the Chinese

¹ This claim, according to the Lytton Report (p. 66), could not be substantiated, but it was asserted and widely believed.

Eastern Railway by the Chinese local authorities had resulted in an attack by the Russian Soviet forces, before which the Chinese had ignominiously collapsed. The announcement in Japan, on August 17th, of the murder of Captain Nakamura was followed, on September 9th, by a shower of leaflets, dropped from army aeroplanes, calling on the nation to awaken to the danger threatening Japanese rights in Manchuria. The existence of an extreme state of tension was by this time arousing the concern of the Chinese authorities. On September 6th, a telegram from Marshal Chang Hsueh-liang was received by the garrison in Mukden, which ran as follows:

'Our relations with Japan have become very delicate. We must be particularly cautious in our intercourse with them. No matter how they may challenge us, we must be extremely patient and never resort to force, so as to avoid any conflict whatever. You are instructed to issue, secretly and immediately, orders to all the officers, calling their attention to this point.'¹

The Mukden Incident

During the night of September 18th, 1931, the inhabitants of Mukden paid little attention to the fact that a loud explosion, followed by sounds of shooting, could be heard. During the previous week the Japanese had been practising manoeuvres involving vigorous rifle and machine-gun fire in the neighbourhood. In the morning, however, the city was found to be in the hands of Japanese troops. The alleged occasion for this action was the blowing-up of a portion of the railway track about 200 yards from a party of Japanese soldiers who were practising defence exercises. The line had certainly been damaged, though so slightly that the south-bound train from Changchun passed over it punctually and without injury to its destination at Mukden. The perpetrators of the outrage remain uncertain, though the Japanese patrol alleged that it was fired upon, first by a small and then by a larger body, without apparently suffering any casualties at this stage. As the occurrence, according to this account, was altogether unexpected, the brilliance of the

¹ *Lytton Report*, p. 69.

Japanese staff work is undeniably impressive. Not only were the barracks, containing about 10,000 Chinese soldiers, immediately occupied with trifling loss, but 'all the forces in Manchuria, and some of those in Korea, were brought into action almost simultaneously on the night of September 18th over the whole area of the South Manchurian Railway from Changchun to Port Arthur'.¹ Two further questions may occur to the reader. If, as alleged, the Mukden garrison was responsible for the explosion on the railway, is it not strange that they should have perpetrated the act in a section where the Japanese troops were known to be manœuvring? Secondly, if the garrison was responsible for the outrage, and for firing on the Japanese patrol, how is it that the attacking forces encountered so little effective resistance, and suffered so few casualties at the hands of 10,000 defenders, who must, *ex hypothesi*, have been expecting them?

Planned or not, the first stage of the Japanese operations placed them in occupation, within some three days, of the important Chinese towns of Mukden, Changchun, and Kirin, the last of which lay about sixty-five miles outside the Japanese railway zone. A further extension rapidly followed, which was justified by allegations of an increase in banditry—which were possibly true, though, if so, probably attributable to the withdrawal of Chinese authority—and also by the unfounded assertion of a Chinese concentration at Chinchow. At the beginning of October, the Japanese Commander-in-Chief publicly announced that Marshal Chang Hsueh-liang's Government would be no longer recognized. His action was repudiated by the Tokio Government, which had certainly been innocent of complicity in his proceedings, but the Japanese army continued to pursue an independent policy of its own. On October 8th, Japanese aeroplanes dropped bombs on Chinchow, accompanied by leaflets repeating the Commander's declaration, and on the 21st the personal effects of Chang Hsueh-liang were dispatched to Tientsin, as a further hint that his régime in Manchuria was terminated. In November, Japanese forces occupied Tsitsihar, across the Chinese Eastern Railway line to Vladivostok,

¹ Op. cit., p. 71.

about three hundred miles from the nearest point in the Japanese railway zone, and, before the end of the month, an advance was threatened against Chinchow, in the south, the only fraction of Manchuria where the Chinese régime still remained. This was temporarily postponed by strong representations from Geneva and from Washington, to which the Tokio authorities were disposed to defer, but on December 11th the Liberal (Minseito) Cabinet fell, and was succeeded by a more Conservative administration. In these circumstances, a reinforcement of the Japanese troops in Manchuria was sanctioned, at the end of December the threatened advance began, and Chinchow, from which the Chinese troops withdrew, was occupied on January 3rd, 1932. On the following day the Japanese entered Shanhaikwan, at the junction of the Peking-Mukden Railway with the Great Wall, and thus completed their hold over Southern Manchuria.

Reactions in China

The immediate effect of the Japanese intervention was to promote the healing of the breach in the unity of the Chinese Government. Before the end of September representatives of the Nanking and Canton administrations were in conference. Mutual jealousies delayed a settlement, but in November events were hastened through the agency of a large mob of students, who converged, from all parts of China, upon Shanghai and Nanking. In December Chiang Kai-shek and his colleagues were forced into temporary retirement,¹ and control was transferred to the Cantonese leaders, until, with the intervention of the Japanese in Shanghai in January 1932, they were discredited, and Chiang Kai-shek resumed control.

A simultaneous result of the Manchurian situation was a great and universal accentuation of the anti-Japanese boycott, accompanied by riots and violence. As early as September 21st, 1931, National Anti-Japanese Associations were founded at Nanking, Shanghai, Hankow, and elsewhere.

¹ In the opinion of competent authorities Chiang and his fellows intentionally threw into his opponents' hands a situation which he knew they could not handle. Before going the Finance Minister was careful to empty the Treasury.

The most stringent rules against relations of any kind with Japanese were drawn up, and a large number of Chinese merchants were stated to have been arrested, fined, imprisoned, and in three cases condemned to death, at the instance of the Shanghai Anti-Japanese Association, for breaches of these regulations. Complaints were also made of maltreatment and insult of Japanese, and the looting of warehouses belonging to Japanese companies.¹ The financial results to Japan were undoubtedly extremely serious. *The Times* correspondent reported from Tokyo a startling diminution of the export trade to China by December 17th, 1931.

Operations at Shanghai

As a consequence of the friction and disorder thus created, an incident took place in Shanghai, on January 18th, 1932, in which five Japanese were attacked by Chinese, two were seriously injured, and one, a Buddhist monk, succumbed a few days later. This led to the dispatch of a communication containing five demands from the Japanese Consul General to the Chinese mayor of Greater Shanghai. On the 21st naval reinforcements arrived at Shanghai, and on the 24th the Consul General turned his demands into an ultimatum, expiring by the 28th. On the morning of the 28th Admiral Shiozawa, commanding the Japanese naval forces, intimated that he would take action in default of a satisfactory reply by the following morning. The mayor thereupon accepted all the Japanese demands, but in the meanwhile the Municipal Council had declared a state of emergency, and allocated areas of defence and control to the various contingents. The district allotted to Japan bordered, without any clearly defined boundary, upon the densely populated maze of narrow lanes and alleys constituting the Chinese area of Chapei, and lay partly outside the limits of the International Settlement. The Chinese do not appear to have been notified of this arrangement. On taking up their positions the Japanese forces met with resistance from Chinese regular troops, and on the early morning of the 29th Japanese seaplanes dropped incendiary bombs on Chapei, which reduced the district to

¹ *League of Nations Official Journal*, December 1931, pp. 2510-11.

a heap of blazing ruins. A truce was then arranged through the mediation of the British and American Consuls General, which, however, was never fully observed, and which definitely ended on February 2. From February 3rd what has been described as 'a state of open war' existed; on the 18th an ultimatum, authorized by the Japanese War Office, was delivered, requiring the retirement of the Chinese forces for a distance of twenty kilometres from the boundary of the International Settlement, and on the early morning of the 20th the Japanese forces, which had meanwhile been heavily reinforced, began an attack which continued until March 3rd, by which time they had attained their objective after meeting an unexpectedly stubborn resistance. On the same day the League Assembly met in special session to consider the Sino-Japanese dispute. A final armistice agreement was signed by the parties on May 5th as the result of the mediation of Sir Miles Lampson, and at the end of that month the last of the Japanese troops left Shanghai.

Manchukuo

Meanwhile, in Manchuria, an outbreak of local fighting between a Chinese partisan of the Japanese, named Hsi Hsia, and the forces of the Provincial Government of Kirin and Heilungchiang, placed the Japanese and Korean colonies in Harbin in real danger, and a Japanese force was consequently dispatched, which succeeded on February 5th, 1932, in occupying Harbin, a Russian foundation which was the second most important city of Manchuria and the headquarters of the Chinese Eastern Railway. The campaign was then continued against the provincial troops, commanded by General Ma Chan-shan, until August, when the Chinese official forces were temporarily dispersed. Thenceforward the only resistance encountered came from irregulars and bandits until the year was nearly at an end. Meanwhile the Japanese had adopted the policy of setting up provincial governments under Chinese nominees of their own, linked by a 'Self-Government Guiding Board' organized and largely officered by Japanese. Through this organization a conference was staged at Mukden, which decided on February

19th, 1932, to establish an independent republic known as 'Manchukuo' under the Presidency of the ex-Emperor of China, Pu Yi. The new state was inaugurated on March 9th, and received the official recognition of Japan on September 15th, when a treaty was signed between Japan and her protégé. The investigations of the Lytton Commission have made it abundantly clear that the new state was in fact a Japanese creation, which 'cannot be considered to have been called into existence by a genuine and spontaneous independence movement'.¹

As an alternative to open annexation, the policy pursued by Japan had certain evident advantages. It was tactically sound to give to the affair the colour of an appeal to 'self-determination', since the genuineness of the application of this principle by other Powers has so often been called in question. The burden of disproving the genuineness of the independence movement was thrown on the outside world, whose opinion could always be disputed. The situation was made more generally palatable and defensible in Japan, and finally it has been suggested that the Japanese realized that they could not find anything like the required number of qualified Japanese nationals to staff an all-Japanese administration of the country.

International Reactions

The actions of Japan had, from the first, awakened the concentrated attention of the world. She appeared to be violating not merely her obligations under the Covenant but those of the Kellogg Pact and the Nine Power Treaty safeguarding the territorial integrity of China, which she had signed at Washington in 1922. Not only the members of the League but the United States were therefore interested, while Soviet Russia, though she adopted a policy of patience and forbearance, was perhaps more directly concerned than any other Power. Her anxiety was increased by the refusal of Japan to enter into a non-aggression pact with the Soviet Government, which the latter had proposed towards the close of 1931. On the other hand, the U.S.S.R. re-established

¹ *Lytton Report*, p. 97.

diplomatic relations with China on December 12th, 1932, a step which aroused suspicion and resentment in Japan. As early as September 21st, 1931, the Sino-Japanese dispute was brought before the League on the appeal of China, under Article 11 of the Covenant, and as early as October 14th the Council expressed the intention of inviting a representative of the United States to sit with them during their consideration of the question. This proposal was carried into effect in spite of the constitutional objections of Japan, and on the 16th Mr. Gilbert, the U.S. Consul in Geneva, took his seat with instructions to participate in discussions respecting the Kellogg Pact, but otherwise to act merely as observer. The earlier representations having failed, as already described, to bring about a termination of hostilities, the Japanese representative on the Council proposed the dispatch of a Commission of Inquiry; and on December 10th this proposal was unanimously adopted. The Commission, which was presided over by Lord Lytton, sailed for China in February 1932.

In the meantime the situation had been modified on January 29th, when China invoked Articles 10 and 15¹ of the Covenant in addition to her original appeal under Article 11. On February 12th the dispute was referred to the Assembly, which met in special session on March 3rd. The matter had thus reached a stage when it was likely to be looked on as an acid test of the efficacy of the collective system for the maintenance of peace established in the League Covenant. It was a case, however, where the problem of enforcing sanctions presented such difficulties that the reluctance of the Great Powers to resort to such lengths became increasingly apparent, and the Japanese were encouraged accordingly. Of the three Powers principally interested in the Pacific, neither Russia nor the U.S.A. were members of the League, and it appeared that the brunt of any naval operations required would fall exclusively upon Great Britain.

The only contribution which came from America was the

¹ Article 10—preservation of territorial integrity of members.

Article 15—submission of dispute to Council or Assembly for report. Article 12 is also involved: no resort to war till three months after such report, and breach of Articles 12 or 15 brings Article 16 (sanctions) into operation.

enunciation, by Mr. Stimson, of his celebrated 'Doctrine of Non-recognition', which was published to the world on January 7th, 1932. Of this it is sufficient to say that history lends little support to the idea that non-recognition of a *de facto* situation can be permanently maintained, but the doctrine was eagerly grasped and endorsed by other nations anxious to find a safe alternative to the prospect apparently confronting them. For the moment further developments were delayed, pending the publication of the Lytton Report. The Assembly referred the dispute to a Committee of Nineteen, which recommended the extension of the time-limit for its report, and on July 1st the Assembly decided to await the conclusions of the Lytton Commission.

The Reports of the Lytton Commission and of the Assembly

On October 2nd, 1932, the Lytton Report was published at Geneva. Its findings of fact were generally condemnatory of Japan, but it proposed a settlement which should fully recognize the rights and interests of that country in Manchuria, and should secure to Manchuria a large measure of autonomy under Chinese sovereignty. Internal order was to be secured by an effective local gendarmerie, and all other armed forces should be withdrawn. Economic rapprochement between China and Japan was advocated, and help in the internal reconstruction of China through international co-operation. The Commission deprecated any attempt to find a solution through a restoration of the *status quo*.

On receipt of the Report the League occupied the next few months in strenuous efforts at conciliation on the lines suggested. But the opening of the New Year destroyed all hopes which may still have been entertained, for on January 1st, 1933, the Japanese abandoned all pretence, and launched an attack upon Shanhaikwan, the gateway of the Great Wall; and on January 3rd they entered the city. On February 11th the sub-committee entrusted with the task completed a draft report for submission to the League Assembly under Article 15. On February 13th it was approved by the Committee of Nineteen, and on February 17th it was published. On the 21st the Assembly met to consider it, and adjourned for

three days in view of the gravity of the situation. On re-assembling, it adopted the report by 42 votes against the single adverse vote of Japan, who, as a party to the dispute, could not affect the validity of the decision.¹ The Japanese delegate at once gave notice of his country's intention to resign from the League.

The Report generally followed the conclusions and recommendations of the Lytton Commission. It declared that the sovereignty over Manchuria belonged to China, that the independence movement could not be recognized as spontaneous, and that the military measures of Japan could not be justified. It recommended the evacuation of the Japanese troops to within the railway zone. The further recommendations for a settlement followed the lines of the Lytton Report.

Invasion of Jehol

Almost simultaneously with the critical vote of the League Assembly, Japan was engaged in a major military operation against the forces of China. The coming of this event had in fact cast its shadow upon the negotiations at Geneva for some time. The territory involved was the province of Jehol, a wedge of mountainous country dividing Manchuria from the Great Wall of China, except for the narrow coastal strip north of Shanhaikwan, containing the central section of the Peking-Mukden railway line. In Jehol Japan had long claimed a special interest, intimating that the maintenance of order there was a matter of internal policy for the Manchurian Government. This claim had now grown into a definite assertion that Jehol formed an integral part of Manchukuo. The local Governor, Tang Yu-lin, had in fact been one of the signatories of the original declaration of Manchurian independence, and had been appointed vice-chairman of the new state's Privy Council, but at the end of 1932 he repudiated his allegiance. On January 12th, 1933, the War Office in Tokio issued a statement claiming Jehol on behalf of Manchukuo, and from that time forward the outbreak of hostilities was generally recognized as imminent. In the middle of February an ultimatum was delivered to

¹ Siam abstained from voting.

the Nanking Government and to Marshal Chang Hsueh-liang, demanding the evacuation of Chinese troops from the province, and, on the 25th, the Japanese advance began in earnest. It proceeded with unexpected rapidity, the Chinese resistance collapsing, in spite of great numerical superiority. Jehol City (or Cheng-teh) was occupied on March 4th, in advance of the time-table arranged. On the 5th Chiang Kai-shek ordered Marshal Chang Hsueh-liang to resist at all costs, but three days later the young marshal responded by resigning his command. In little more than a fortnight Japan and her protégé were in control of all the passes in the Great Wall.

In April the campaign reached its final stage, when the Japanese troops crossed the Wall in several places, and were soon threatening Peiping (Peking). In these circumstances an armistice was signed at Tangku on May 31st, providing for the demilitarization of an area of 5,000 square miles on the Chinese side of the Great Wall. Since, in the previous December, the Japanese had pushed the Chinese forces remaining in Northern Manchuria over the Russian border, where they were disarmed, Japan now appeared to have attained all the objects which her military adventure was designed to secure. The Nanking Government had, indeed, been taught so stern a lesson that it now adopted a strikingly conciliatory attitude, repressing anti-Japanese boycotts with such energy as to lead to rumours of special understandings and even of a secret treaty for the maintenance of an 'Asiatic Monroe Doctrine'.

Japanese warning to foreign Powers

The existence of these suspicions has a special interest in view of the claims put forward by Japan in April 1934, when her Foreign Office spokesman issued a statement which included the following passages:

'Any joint operations undertaken by foreign Powers even in the name of technical or financial assistance at this particular moment after Manchurian and Shanghai incidents are bound to acquire political significance. Undertakings of such nature, if carried through to the end, must give rise to complications, . . . Japan

therefore must object to such undertakings as a matter of principle. . . . Supplying China with war aeroplanes, building aerodromes in China, and detailing military instructors or military advisers to China or contracting a loan to provide funds for political uses would obviously tend to alienate friendly relations between Japan, China, and other countries, and to disturb peace and order in Eastern Asia. Japan will oppose such projects.'

The rights so claimed were at once made the subject of communications from the United States, France, and Great Britain, and somewhat reassuring statements elicited. At the moment of writing, there is a general disposition to regard the pronouncement as a *ballon d'essai*, designed to ascertain the measure of opposition to which a Japanese 'Monroe Doctrine' is likely to be exposed.¹ It should be recognized, however, that Japan had reason to regard with some anxiety the efforts of Mr. T. V. Soong and others to obtain financial assistance for China, the effect of which might well be to increase her ability to oppose Japan: the employment of League of Nations advisers, credited with pronounced anti-Japanese opinions, also aroused not unnatural misgivings in Tokio.

Japanese Action and the Collective System

From the point of view of Japan, action against China seemed to be justified by success, though some of the economic advantages which she hoped to derive from the control of Manchuria could not be fully realized for some time. The expense of the operations was undoubtedly heavy, but this to some extent was set off by the commercial advantage which Japan derived from the heavy depreciation of the yen, which gave a surprising stimulus to her export trade during 1933. It was also evident in 1931, and has become increasingly evident since, that the economic crisis and economic nationalism were driving trade into restricted areas, to the

¹ The idea is, however, by no means a new one in Japan. In a sense the assertion of an Asiatic Monroe Doctrine was suggested to Japan by President Theodore Roosevelt as long ago as 1905, and the phrase itself, with varying interpretations, has long been a commonplace of Japanese political utterance. See an article in *Foreign Affairs*, July 1933, by George Blakeslee: 'The Japanese Monroe Doctrine'.

comparative advantage of countries who could establish trading relations with a wide region over which they possessed a special control or influence. Strategically, her control of Manchuria gives Japan a peculiarly valuable base for offensive or defensive operations against either China or the U.S.S.R. From the standpoint of the outside world, too, if the episode could only have been judged by pre-War standards, it might have been regarded as satisfactory in its results. Chinese Nationalism had begun to learn humility, and the preservation of order in the north was probably now in more efficient hands. Few could deny that Japan had been exposed to extreme provocation, and most nations could remember incidents in their own not very remote past, when their policy had not been dissimilar. In this connexion it is interesting to read Mr. Lippmann's characteristically American view, that 'the Japanese Army is, in a word, carrying on not "a war" but an "intervention"', and that the world need not and should not have 'plumped for an interpretation which brought Japan's intervention within the scope of the Kellogg-Briand pact renouncing war'.¹

On the other hand, judged by post-War standards, the position was this. Japan had not only broken her engagements under the Kellogg Pact and the Nine Power Treaty, but had, in the only sense intelligible to the ordinary man, resorted to war in violation of Articles 12 and 15 of the Covenant, thereby throwing on members of the League the obligation of automatically applying the sanctions of Article 16. Yet nothing had been done, apart from a temporary and unsuccessful effort on the part of Great Britain to apply a limited arms embargo. Every one felt that while the failure to act might be justified, it necessarily involved the ignoring of the obligations in the Covenant, for if Japan's action was not a 'resort to war', it only escaped the charge through an open conspiracy not to define it so. The shock, therefore, which the incident administered to the whole system of collective security was tremendous and wellnigh fatal, and the only question on which opinion can be divided is as to whether the responsibility for this lies wholly at the door of

¹ Lippmann, *Interpretations, 1931-1932*, pp. 196-7.

Japan, or whether it must be shared by those who planned a system which the world is incapable of working. There are, indeed, persons who think that the application of sanctions was practicable, but the difficulties were so great, and the prospect of plunging the world in war so formidable that the inaction of members of the League must be considered pardonable, if not wholly justified. The existence of the Covenant has in any case turned a local incident into an event of world-shaking importance.

Russo-Japanese Relations

The aspect of the question which gave rise to the most immediate threat to general peace was the friction occasioned between Japan and the U.S.S.R. The Japanese control of Manchuria had converted the Russian territory in eastern Siberia, including the port of Vladivostok, into a salient dangerously enveloped by Japan and her sphere of influence. The addition of Jehol to this sphere opened a road into central Asia promising a base of operations against a still longer extent of Russia's vulnerable Siberian frontier. The threat to these Asiatic possessions could not be regarded with indifference by the Soviet Government, since eastern Siberia played a most important part in the Russian schemes for industrial development. During the first Five Year Plan more money had been invested in this region than the Tsarist Government had devoted to it during the whole of its existence, while the second Five Year Plan laid down a vast programme of industrial development for this area. Many concessions had been made to its population with the object of attracting settlers, and this policy was threatened with frustration as a result of the alarm occasioned by the Japanese advance and militaristic attitude.

In the nervous atmosphere prevailing, a magnified importance attached to a series of individually trivial incidents which took place in 1933. There were several allegations of violation of Russian territory by Japanese forces, while, on the other side, friction was increased by the shooting of some Japanese fishermen by Russian coastguards in June, and in July a Russian ship was arrested by Japanese authorities for

entering Japanese waters in the Kuriles. But the principal cause of tension was the situation with regard to the Chinese Eastern Railway.

Over this system, prior to the Russo-Japanese War of 1904-5, Russia had exercised a virtually complete control, including the southern branch to Port Arthur; this branch south of Changchun had passed to Japan by the Treaty of Portsmouth, but the remainder, since the conclusion of an agreement in 1924, had been under joint Russo-Chinese control until the Chinese authority in Manchuria came to an end. The Russian manager and officials employed under this arrangement now found the Japanese or Manchurian colleagues who had replaced the Chinese considerably more difficult to work with than their predecessors, though their relations with these had not always been harmonious. A dispute also arose concerning the retention of rolling-stock by the U.S.S.R., and in April the Manchurian authorities retaliated by a stoppage of through-traffic at the frontier station. The railway had, indeed, lost most of its value to Russia owing to the construction of competing lines, and in May 1933 the Soviet Government attempted to solve the question by an offer to sell the Chinese Eastern Railway to Japan or her protégé. The matter was complicated by questions of ownership, for while the Manchurian Government contended that it had succeeded to the rights formerly vested in China, and the U.S.S.R. insisted that the Chinese claims had lapsed, China herself protested that the proposed sale was a violation of the 1924 agreement. Further objections were raised by French interests which had contributed a large proportion of the capital employed in the construction of the railway. The negotiations, however, actually broke down over the question of price, that offered by Japan on behalf of her protégé being only about one-tenth of that demanded by Russia. The attitude of the Soviet Government stiffened as a result of its successful conclusion of treaties of non-aggression with its European neighbours, which protected its western frontiers (see p. 329). Japan and Manchukuo, on the other hand, became proportionately intransigent, probably with a view to diminishing the value of the railway

in Russian eyes, and thus inducing more favourable terms for purchase. In September 1933 relations were further strained by the arrest of six of the senior members of the Russian railway staff, which the Soviet Government alleged to have been done in pursuance of a deliberate plan for the forcible elimination of Russian control. In support of this allegation documents were published, which were denounced in Japan as forgeries. In October further arrests of Russian employees took place, and complaints were made that the Manchurian railway officials were reducing the administration of the line to confusion by countermanding all orders issued by their Russian colleagues. A state of mutual irritation was thus engendered, which led in both countries and also in the outside world to a general fear that war between these two nations was inevitable. These fears were the dominating feature of the Far Eastern situation in the early part of the year 1934, when they were coupled with rumours of an understanding between Germany and Japan which might lend to the outbreak of Russo-Japanese hostilities a serious risk of extension. Such fears are not at the moment of writing wholly dispelled, though Japanese aggression grows manifestly less probable with the passage of time.

XIX

EUROPE AND THE DISARMAMENT CONFERENCE

The Briand Scheme for European Union

ON the eve of the Disarmament Conference an increasing body of opinion was inclined to the belief that the disappointing state of the problem was largely due to the fact that the post-War system was built on a basis wider than any which the world had in fact attained; a view soon to be strikingly confirmed by the unimpeded resort to war—or war in everything but name—in the Far East and in South America. The nations of Europe still instinctively felt that their true interests were restricted to a narrower area, and their peoples showed no enthusiasm for the idea of crusading for peace in the remoter ends of the earth. The view was reciprocated by the nations external to Europe with regard to the dangers to peace which threatened that continent, and in many quarters there was a feeling that an international organization on a narrower basis would contain more promise of reality. It is significant that one of the earliest utterances in which a leading statesman advocated the idea of European Union strongly emphasized this side of the question. M. Herriot, then Prime Minister of France, made his first reference to the subject as early as October 1924, but in January 1925 he developed the thesis as follows: 'If I have devoted my energies . . . to the League of Nations, I have done so because in this great institution I have seen the first rough draft of the United States of Europe.' To him, even at this date, the desirable consummation was not world but European union; the League was but the means to this end.

It seems to have been in something of the same spirit, if less clearly avowed, that M. Briand, in September 1929, returned to the idea of European union. Mr. Toynbee, with his unfailing flair for historical analogies, paints indeed a picture of a Europe 'encircled and overshadowed by a ring of vaster states that had been called into existence by the

radiation of European civilization into Asia and overseas',¹ and suggests in this the principal reason for a desire for European coalition, a parallel to that which had inspired Machiavelli among the disunited city-states of Italy to project a somewhat similar union, or that which had created the Aetolian and Achaean Leagues among the communities of ancient Greece threatened by the growth of external Powers. Yet it is difficult to believe that this reason was operative, at any rate in the minds of practical statesmen, though it may have been to some extent in the more theoretic propaganda by means of which Count Coudenhove-Kalergi had long been labouring for a similar ideal. The reason for European Union in the eyes of M. Briand seems rather to have been one exactly contrary to this, the feeling, not that the outside world loomed too near and formidable, but that it was inactive and remote. The danger threatening the peace of Europe was, to his mind, not external but from within. International co-operation, to yield a trustworthy security, must be restricted, he thought, to an area sufficiently narrow to appreciate the danger.

In the memorandum in which he developed his views and circulated them to the governments concerned on May 17th, 1930, he therefore spoke of a need arising 'from the very conditions of security and well-being of nations whose geographical position already imposes on them in this part of the world a *real* solidarity'. It is further difficult to avoid the inference that he spoke primarily as a Frenchman, and thought, as indeed he was bound to think, above all of French peace and French security. It is true that he strongly emphasized that everything arrived at should be done 'within the framework of the League', but the nations outside Europe were relegated to a mere frame; the picture was a Europe in which France with her allies could exert a commanding influence. The League was indeed a useful card to play, since it enabled M. Briand to reject two awkward participants from his scheme—the U.S.S.R. and Turkey,² who were not adherents of the Covenant. In the same

¹ *Survey of International Affairs*, 1930, p. 133.

² Turkey was admitted to membership of the League on July 18th, 1932.

spirit he championed the cause of 'absolute sovereignty and entire political independence', which one of his critics, the Netherlands, regarded as inconsistent with any true measure of European federation.

In any case, that this suspicion of M. Briand's motives was widely entertained was apparent from the comments received from other European Governments. It is significant that, of the group in alliance with France, the member which was least unqualified in its approval was Belgium, who had always favoured the League as a check on French ascendancy (cf. p. 20). Her other allies, Poland and the states of the Little Entente, were the most enthusiastic supporters of the scheme. Italy, Germany, Bulgaria, and Hungary all advocated the inclusion of the U.S.S.R. and Turkey, and Austria also favoured a close connexion with extra-European Powers. Fear of French dominance was also apparent in the objections of Italy and Bulgaria to the proposed elected committee, and in the emphasis laid by Hungary on the principle of equality. Germany hinted that a new Europe must be based on equality of rights, security for *all*, and peaceful adjustment of natural vital needs, and Italy desired disarmament to precede security, while Hungary openly asserted the necessity of treaty revision as a preliminary.

The replies received from the third group of European states, the comparatively neutral, with whom may be associated Great Britain and the Irish Free State, were also on the whole critical. Majority opinion was unfavourable to the subordination of the economic to the political problem, a point to which M. Briand had attached great importance on the ground that the weaker nations would be exposed 'to the risks of a political domination resulting from an industrial domination of the most powerfully organized states'. All the governments consulted expressed, however, agreement with the fundamental idea of the proposal, the need for closer co-operation, which was, indeed, too obvious to be disputed. The question was therefore entrusted for further study to a special Commission of the League, in whose hands it seems to have died a natural death. The principal result of the discussion was to bring out once again the main issues

on which Europe was divided, the claim of France for security first, the claim of Germany for equality, and of all the discontented Powers for treaty revision. In the light of these, the groupings of Europe appeared no less sinister than before.

The Austro-German Customs Union

During the first discussion in the League Assembly on M. Briand's plan, the Austrian delegate had suggested that regional economic agreements might be a fruitful first step in the required direction. In view of what subsequently occurred this suggestion must be regarded as significant. As early as January 1931, during the second session of the Commission of Inquiry for European Union, the Austrian delegate, Dr. Schober, appears to have followed up his idea by entering into discussions with Dr. Curtius, the German Foreign Minister, with a view to negotiating an Austro-German customs union. The negotiations, which were conducted with great secrecy, were continued in Vienna in the beginning of March, and on March 21st the world was surprised by the announcement of the conclusion of an agreement for the establishment of such a union, the text of which was published on the 23rd.

This announcement at once aroused a storm of protest. Not only was the step interpreted as a prelude to a political *Anschluss* of the kind forbidden by the Peace Treaties, but, in the first Protocol for Austrian Reconstruction of October 1922, the Austrian Government had bound itself 'to abstain from any negotiations or from any economic or financial engagement calculated directly or indirectly to compromise Austrian independence', and not to 'violate her economic independence by granting to any state a special régime or exclusive advantages calculated to threaten this independence'. The secrecy with which the negotiations had been conducted enhanced the suspicions with which the transaction was immediately regarded.

France, Czechoslovakia, and Italy at once delivered an official protest, as signatories of the Reconstruction Protocol. Great Britain alone retained an attitude of reserve, and de-

precated hurried decisions. Mr. Arthur Henderson, however, on March 25th, joined in the expression of a hope that, before going farther, the parties to the agreement would allow the Council of the League an opportunity of satisfying itself as to the legality of the step proposed. Germany nevertheless showed at first an obstinate and unfortunate reluctance to countenance even this modest precautionary measure. By the end of March, however, a more conciliatory speech by Herr Curtius had somewhat cleared the air, and, on April 17th, the Austrian Government agreed, in response to diplomatic pressure, to take no further steps pending the forthcoming meeting of the Council.

On May 11th the failure of the Credit-Anstalt (see p. 265) affected the situation by facilitating the exertion of financial pressure by France, which was thenceforth exercised on every opportunity, and by the end of August this pressure had effected its purpose. On September 3rd Dr. Schober announced the abandonment of the project. This rendered superfluous the decision sought by the Council of the League from the Permanent Court of International Justice as to the legality of the proposed customs union. This had no doubt been the purpose of the French manœuvres, since the result of the appeal was in fact extremely doubtful. When, two days later, on September 5th, the Court announced its decision, it transpired that the illegality of the course proposed was only established by a narrow majority of eight votes to seven, a fact regarded by many Germans and Austrians as a moral victory for their policy. The incident, however, served to illustrate in a striking way the nervous state of contemporary Europe.

The Franco-Italian Naval Discussions

As has been suggested in a previous chapter (see p. 251), a further cause for European disquietude was provided by the developments of the naval problem which had been left unsolved in the negotiations resulting in the London treaty of April 22nd, 1930. While the Italians claimed that the principle of naval parity had been conceded by France at Washington in 1921-2, this claim had always been repudiated

by successive French governments, and was, in fact, unfounded. M. Briand, indeed, had reluctantly agreed to parity in capital ships, in response to a cable from Mr. Hughes to the effect that the recalcitrance of France in this matter would involve the failure of the Conference. But the French reservation in regard to other categories was explicitly and formally maintained.

The policy of Italy was now alternately provocative and conciliatory, a naturally disconcerting state of affairs. On April 30th, 1930, the Italians announced the adoption of a competitive building programme, but on May 9th Signor Grandi declared the readiness of his country to resume negotiations. In the same month, however, Signor Mussolini unburdened himself of a series of highly menacing utterances, of which the most striking, delivered on May 17th, has already been quoted in the introductory chapter of this part (see p. 251). The next move was taken on June 3rd, when Signor Grandi announced his leader's readiness to suspend the naval construction programme pending negotiations, if France would reciprocate in respect of her own contemplated building. The French response to this overture is open to a charge of rather sharp practice. After a considerable delay M. Briand announced on July 7th that no French keels would be laid down before December 1st, after the 'dispositions already taken'. On the 11th, however, it was revealed that these dispositions included all the new ships in the programme for the current year, so that the offer was in fact deprived of all practical effect. The negotiations, however, continued, with the active mediation of Great Britain and the United States, and in February 1931 Mr. Henderson announced that an agreement had been reached in principle, which the author of the *Survey of International Affairs* describes as 'no more readily comprehensible to the lay mind than an astronomical or a theological treatise'. This being so, it is fortunate for the reader, though not for the parties or the world, that it is not necessary for him to master it, since by April it became clear that serious obstacles still impeded agreement, and the negotiations thereafter broke down.

The difficulty arose in connexion with the relative strengths

of the parties in light cruisers and destroyers. Italy was prepared to accept the proposed arrangement on the understanding that a considerable proportion of the French margin of superiority, during the currency of the agreement, would be made up of over-age vessels. She was not, therefore, prepared to concur in an interpretation which would give France the right to increase her superiority by laying down tonnage which would be ready to take the place of over-age vessels as soon as the period covered by the agreement had come to an end. The French, on the other hand, laid stress on a provision of the agreement which stated that 'the tonnage of new construction *to be completed* shall not exceed the tonnage which is replaceable in this category before the 31st December, 1936', and argued, plausibly enough, that ships still under construction at the date prescribed did not fall within the scope of the agreement. Any other interpretation would, it was contended, concede to Italy the parity in this class which France had steadily contested. The misunderstanding, which appears to an outsider to have been perfectly genuine, was not so regarded in Italy, and the recriminations resulting in the press of both countries did not contribute to the restoration of harmonious relations.

Further causes of European unrest

Besides these special causes of international friction, the economic crisis of 1931 tended to produce its own complications. A universal warfare was soon being waged with every class of economic weapon, which differed from normal hostilities mainly in the fact that each country provided its own blockade, which was frequently of a severity of which it would have been the first to complain had it been imposed by an enemy. At the same time, there was an outbreak of political disturbances, which in some cases seem to have had no direct connexion with the economic troubles of Europe. There was a critical recrudescence of the dispute between Denmark and Norway over the sovereignty of East Greenland, though this was never a threat to peace, and was eventually settled, in favour of Denmark, by a decision of the Permanent Court of International Justice in 1933. Into

the complicated issues involved it is impossible to enter in a work of this kind. A revolution occurred in Spain, and something approaching it in Portugal, and in Cyprus there was a serious revolt of the Greek population, which was infected with the universally prevalent virus of self-determination. Malta also gave rise to difficulties in the same *annus terribilis*. The growth in power of the Nazi party in Germany, besides being a major cause of the prevailing uneasiness, had special repercussions upon German-Polish relations, which had temporarily improved as a result of the conclusion of a commercial agreement in 1930 between the two countries. Provocative speeches aroused suspicion, the state of tension in Danzig, which gave rise in April 1931 to the resignation of the Polish Commissioner-General, for a time promised to have serious developments, while the treatment of the German minority in Poland engaged the attention of the Council of the League at the beginning of the year. But the prevalence of disturbance and unrest was by no means confined to the European continent. In South America the revival of the Chaco dispute and its development into a state of war in everything but name occurred also in 1931, while the same year witnessed the resort to force by the Japanese in Manchuria. It was in such unpromising circumstances, when the weapons of war were already beginning to be issued from their armouries, that the Disarmament Conference assembled on February 2nd, 1932, four days after the guns had started booming in Shanghai and Chapei had been reduced to blazing ruins.

The Disarmament Conference, first phase

In a general work on the present scale the vicissitudes of the Conference can manifestly only be treated in the broadest of outlines. The connecting thread perceptible throughout was the conflict between the French demand for security as an essential preliminary and the German claim for equality. Another striking feature was the remarkably small amount of use made of the Draft Convention which was the sole result of the prolonged debates in the Preparatory Commission. Though formally it remained for some time the frame-

work, in practice it was largely ignored. While it is sad to think of so much wasted effort, this was perhaps no worse fate than it deserved. It was in fact the barest of skeletons, and such decisions as it had managed to achieve were in most cases hedged about with more or less important reservations. Most of the first month (from February 8th to 24th) was taken up with a series of speeches in which the representatives of most of the nations present indicated their general standpoints. It had been arranged that the British Foreign Minister should open this discussion, but, though the arrangement was technically observed, M. Tardieu succeeded in obtaining the tactical advantage of the first suggestion by presenting, on February 5th, the concrete proposals of the French delegation, which were published simultaneously in the press.

The main feature of the French plan was a proposal to create an international force. This was to consist in the first place of heavy bombing aircraft; the possession of medium-sized military aeroplanes was restricted to states which undertook to place them at the disposal of the League in the case of an application of sanctions under Article 16, though such ear-marked machines might be used by a state which suffered from air bombardment in reply to such an act of aggression. Heavy long-range artillery, capital ships exceeding 10,000 tons or carrying guns of a calibre over 8 inches, and submarines above a certain size were similarly to be ear-marked for the League's use by Powers retaining them, but the personnel of the force was to be provided from contingents to be furnished by each of the contracting parties. The plan rested upon the idea of endowing the League with executive authority, and thus characteristically embodied the French idea of the primary importance of a trustworthy security. Its least controversial point was the prohibition of incendiary, bacteriological, and chemical warfare, and of aerial bombardment beyond a given distance from the front line. The scheme was, on the whole, coldly received, and obviously stood from the first a negligible chance of general acceptance.

Sir John Simon, who opened the general discussion, paid but passing attention to this plan. His most novel idea was

that of qualitative disarmament, i.e. the prohibition of weapons which might be regarded as specially aggressive. Among these he included submarines, a highly controversial point in the opinion of many nations who regarded them as the mainstay of their naval defence. He agreed, however, with M. Tardieu in desiring the prohibition of gas warfare and bombing from the air, though the latter, as later appeared, might be retained for certain purposes. After M. Tardieu had further developed his own ideas, the British proposals received substantial support from the representative of the United States. Herr Brüning, who spoke next, was on the whole conciliatory, but hardly constructive. He contented himself for the most part with reiterating his objections to the Draft Convention, and stressing the claim of Germany to equality, and her right, as he saw it, to the disarmament of the other nations. From Italy he received a measure of support to his main contentions, but the Italian delegate also favoured the British idea of qualitative disarmament, and put forward suggestions of an extremely drastic kind for the attainment of that object. The U.S.S.R. favoured, as before, complete disarmament, and was strongly and effectively critical of the French proposals. Of the contributions made by other speakers, of whom there were in all fifty-one, perhaps the most original was the insistence by the Polish representative on the necessity for 'moral disarmament' through the control of education, the press, and other organs for the formation of public opinion. The trend of the general discussion gave rise to an unwarranted optimism, since most of the speakers were more concerned to develop their own views than to debate or criticize those of others.

Such optimism was soon dispelled when the various committees got to grips with the various proposals. This stage was interrupted for some days by the meeting of the special Assembly called in March to deal with the Sino-Japanese dispute. It was also affected by the French elections which substituted M. Herriot for M. Tardieu on June 4th, and by the resignation about the same time of Dr. Brüning's Cabinet, which was succeeded by Herr von Papen's 'Cabinet of Barons' on June 2nd. With these handicaps, the committees made

slow and disappointing progress, and their reports, when issued, were largely a record of different opinions. Five of them had presented reports by the second week of June, but in only one case, that of the Chemical and Bacteriological Committee, was there an approximation to real unanimity. The 'qualitative' line of approach, which had appeared hopeful, was blocked by the inability of the experts to agree on the dividing line between offence and defence. France was still rigidly opposed to the admission of the German claim to equality.

At this stage the President of the United States made one of his periodical contributions to the controversies of Europe by the suggestion, on June 22nd, to a specially summoned meeting of the General Commission, of a plan of his own. This had the salient characteristics of the American attitude in the matter of naval disarmament, that is to say, it was a simple affair of mathematical proportion which appeared to pay but little attention to obstacles of a practical nature. These were described as 'brush' to be cut through. The general idea was to preserve the existing relations of the different national forces, and to cut down the arms of the world, land, air, and naval, over and above the force needed for internal police duties, by nearly one-third. Though Mr. Hoover allowed for 'necessary corrections for Powers having colonial possessions', it may be doubted whether the factor of function was not, as in the previous discussions over the naval treaty, unduly ignored. For example, under the system in force in Great Britain, nearly one-half of the army is always overseas, strung out in minute garrisons stationed at different points all over the world, while the home forces serve not only for purposes of defence, but supply the reliefs for the remainder. A small force organized on such a system is manifestly not comparable with large continental armies; it already represents a practically irreducible minimum, and its aggressive strength is negligible. Again, the existing ratios between different countries represent a widely varying capacity for aggression; in some instances, the forces already constitute a minimum defence component, while in others they seem far too large. To reduce all by the same percentage is therefore unscientific. Further, the ratio represented by

the numbers of effectives is only one of several factors. The elaborate defences recently constructed in France really represent, as the Germans are fond of pointing out, a part of her striking power, since a larger proportion of the army is liberated from defence duties. In fact, pure relativity and mathematical subtraction afford far too simple an approach to the problem. Thus, while the intervention of the American President was politely received, and Italy announced at once her unconditional acceptance of the proposals, it did not constitute an important practical advance.

After this interlude the Conference terminated the first stage of its labours by the adoption of a resolution proposed on July 20th by Sir John Simon, which was intended as 'an attempt to gather such gains as there are, that they may not slip away again'. These gains reduced themselves to the one concrete decision banning chemical and bacteriological warfare, a matter which, as was trenchantly pointed out by M. Litvinov, had been already substantially agreed upon in the days of the Geneva Protocol. There were general expressions of disappointment. Mr. Henderson was constrained to state that 'when I come to examine the resolution, I must admit that . . . I find it very far short of what I should have liked it to be'. The U.S.S.R. carried its disapproval to the length of voting against the resolution, and the same course was taken by Germany, whose representative, Herr Nadolny, declared emphatically that his country was only prepared to continue collaboration 'if the subsequent work of the Conference is based on a clear and definite recognition of the equality of rights between nations'. Italy carried her disappointment at the progress made to the point of abstention from voting on the resolution, and carried with her seven other states—Albania, Afghanistan, Austria, Bulgaria, China, Hungary, and Turkey. In a subsequent article in the Italian press, her delegate, General Balbo, described the League as 'a limited liability company under the control of England, France, and, indirectly, America', and suggested that Italy might leave the Conference. Signor Mussolini simultaneously published an article, eulogizing war and declaring that Fascists did not believe in the possibility or the advantages of perpetual peace.

The German claim for equality

With this unsatisfactory termination of the first phase, the German claim for equality had come to occupy the foreground of the problem. The remarks of Herr Nadolny were emphasized, on July 26th, in a broadcast speech by General von Schleicher, the German Minister of Defence, in uncompromising and, indeed, provocative terms. He made effective use of an admission by M. Lamoureux, who, in defending the French estimates, had stated that the new frontier fortifications gave France the fullest security against invasion. The tone of General von Schleicher's remarks did not improve the relations between the two countries, and the conversations which followed held for some time little hope of a solution. On September 16th the German Government notified their withdrawal from the Conference under existing conditions, and when the Conference Bureau met on the 21st the German seat was vacant. This decision followed the receipt of a note from France on September 11th, which, while definitely refusing to enter upon direct negotiations *à deux*, did not close the door to negotiation within the framework of the League. On the 18th the British Government published a statement of its views, which deprecated the raising of the question of German equality at this stage, and criticized the legal correctness of the interpretation placed by Germany upon the disarmament reference in the Treaty of Versailles and the connected correspondence (see p. 52, n.). It soon became evident, however, that progress was hopeless until this obstacle had been surmounted, and early in December a five-Power Conference was arranged at Geneva (between France, Great Britain, Germany, Italy, and the United States) to search for an acceptable formula. After five days of intensive labour a declaration was signed on December 11th, 1932, which recognized the German claim to 'equality of rights in a system which would provide security for all nations'. The slogans of Germany and France were thus combined in a single phrase, which each was prepared to accept subject to its own interpretation.

The Second French Plan

Meanwhile, on November 4th, M. Paul-Boncour had introduced to the Bureau of the Conference an amended French plan, which, like its predecessor, laid all the stress upon security. Its salient feature was a proposal to divide the states of the world into three concentric circles. The outermost should consist of all the Powers represented at the Conference. These should undertake to consult together in the event of a breach or threat of breach of the Kellogg Pact, to abstain from economic or financial relations with an aggressor, and not to recognize a *de facto* situation brought about by the violation of an international undertaking. These obligations, except the second, were an attempt to reduce to practical terms views already expressed by Mr. Stimson on behalf of the United States.¹ The second circle consisted of states members of the League of Nations, who were to concur in 'the effective and loyal application of Article 16 of the Covenant'. Finally, for an innermost ring, a special organization was proposed, involving more specific military and political arrangements. The plan further advocated the international supervision of armaments and of the manufacture of war material, and included still, as an integral part, the former proposal for the creation of an international force. In regard to disarmament, the reduction of national land forces to a short-service army with limited effectives was recommended, and certain weapons were to be prohibited on the qualitative principle previously referred to. Both qualitative and quantitative limitations were to be applied to naval armaments, while, in the air, aerial bombardment was to be prohibited and bombing aeroplanes abolished. The plan was put forward as an 'indivisible whole'. Discussion of it was postponed until the reassembly of the Conference at the end of January in the new year, when Germany would have returned as a participant.

¹ On August 8th, 1932, Mr. Stimson expressed the view that the Kellogg Pact had changed the whole doctrine of neutrality, and that war was the concern of the whole world. In the same speech he advocated consultation between the signatories of the Pact, in the event of a breach or a threat of it. For his doctrine of non-recognition, see p. 291.

The Advent of Hitler

Before the discussions, which were resumed on February 2nd, 1933, in the General Committee, had had time to make any headway, the prospects of the Conference had been further endangered by two events of outstanding importance. One of these was the notification by Japan, on February 24th, of her intention to resign from the League (see p. 292).¹ The other had already occurred when the first speaker opened the discussion on the new French plan. On January 30th Herr Hitler, the leader of the Nazi party, had become Chancellor of the German Reich. It is true that his position was not yet consolidated. His party held only 196 seats in a Reichstag of 584 and, even including the Nationalists with whom he had entered into coalition, could not achieve a majority. The general election of November 1932 had shown, indeed, a marked decrease in the National-Socialist vote since the previous July: the appointment of Herr Hitler to the Chancellorship was a political manoeuvre adopted by Herr von Papen. But, having attained to power, the Nazi leader was quite determined not to leave go. The first steps were at once taken by Hitler's lieutenant, Captain Göring, who made sure of the police and the provincial officials in Prussia. Something further seemed to be needed to ensure the requisite success of the elections which had been timed for March 5th, 1933, and mysterious warnings were soon current of some remarkable occurrence in the days immediately preceding this event.² These turned out to be well founded, or at least destined to be confirmed by a remarkable coincidence. On February 27th, at 10 p.m., the Reichstag building was seen to be on fire. It is fair to point out that the incendiarism was admittedly the act of an apparently half-demented Dutchman, who professed Communist tenets, but it is none the less true that by 2 a.m. in the same night a special edict 'for the protection of the Reich against the Communist danger' was issued in printed form,³ the drastic provisions of which were

¹ Though her representatives continued to take part in the Conference.

² See Wheeler-Bennett: 'The New Régime in Germany', in *International Affairs*, 1933, p. 315.

³ Wheeler-Bennett, loc. cit.

put into force so promptly that in the course of the next day all the Communist deputies in the Reichstag were under lock and key, in company with their political confrères in the Prussian Landtag. Within the next few days hundreds of leading 'Marxists', including Social-Democrats as well as Communists, had been arrested throughout the country. The Reichstag fire was evidently an event as disastrous to the Communists as it was opportune for the Nazis. In these circumstances, it is somewhat surprising that the victory of Hitler's supporters in the ensuing election was not even more sweeping than it was, for the moderate parties maintained their strength, and Nazis and Nationalists together could only muster a majority of 33 seats (Nazi 288, Nationalist 52, in a Reichstag of 647). This, however, was sufficient for its purpose, for on March 23rd parliamentary government was terminated for four years by the passage of an Enabling Bill which secured for that period dictatorial powers to the Nazi party and its leader, while, by an even earlier date, power was centralized by the *Gleichschaltung*, under emergency decree, of the different provincial governments, and by July 11th the revolution had been completed by the suppression of some opposition parties and the quasi-voluntary liquidation of the rest. With the remaining prominent feature of these events, the persecution and ejection of the Jews, it does not fall within the province of this work to deal.

Resumption of the Disarmament Conference—the MacDonald Plan

In these circumstances, it is hardly surprising that the renewed discussions of the Conference were unable to make satisfactory progress. The French plan found little support, except from the states of the Little Entente. Poland was somewhat perturbed by the part of the proposal which would have as its effect the reintroduction of conscription into Germany. Italy was unwilling to welcome a system of European mutual assistance in which Great Britain was not involved, and Mr. Anthony Eden, on behalf of the British Government, emphatically refused to undertake further continental commitments. Thus discouraged, the French delegation allowed their new scheme to be tacitly shelved,

and concentrated thenceforward on the question of international supervision, a matter in which their view stood a better chance of general adoption. But by the middle of March little progress had been made towards agreement on any important issue, and a general atmosphere of hopelessness prevailed at Geneva when, on March 16th, 1933, Mr. Ramsay MacDonald arrived to make a further effort to inject life and reality into the proceedings. He brought with him as his contribution a new draft convention, which consisted in the main of a collection of all those proposals which had hitherto appeared to stand the best chance of acceptance. It had the advantage over its predecessors of suggesting for the first time definite, though provisional, figures of effectives. The convention was divided into five parts. The first, relating to security, merely provided for conference in the event of a breach or threatened breach of the Kellogg Pact, under conditions which placed the Great Powers in a position of special importance, since their agreement must be unanimous to give validity to a decision, whereas the other participants need only concur by a majority. This, of course, recognized the realities of the situation. Part II proposed the limitation of effectives in accordance with a table included, which set out the proposed numbers for each state as a basis for further discussion. It dealt with material on a qualitative basis, limiting the weight and calibre, though not the numbers, of certain weapons. The naval proposals endeavoured to extend the provisions of the Treaty of London to France and Italy, and to stabilize the situation pending the convening of a special conference in 1935. The numbers of fighting aeroplanes for each country were to be reduced within the period of the convention to specified limits, the complete abolition of military and naval aircraft, with the effective supervision of civil aviation, was recommended as an ultimate goal, and bombing from the air, with a reservation in favour of police purposes in outlying regions, was to be prohibited. Part IV banned chemical and bacteriological warfare, and the final part proposed a Permanent Disarmament Commission with wide powers of inspection and control. These were the main features of the British plan,

which was stated to be in substitution, so far as concerned Germany, for the Disarmament chapter of the Treaty of Versailles.

The Four-Power Pact

After Mr. MacDonald's plan had been received, in principle, with marks of a very considerable favour, at all events as a promising basis for further discussion, detailed consideration of it was for a time interrupted by the visit of the English Premier and Foreign Secretary to Signor Mussolini, in whose fertile brain a new project, only indirectly connected with disarmament, had for some time been germinating. As became a good Italian, jealously proud of the hard-won status of his country as a Great Power, the Duce believed in drawing a very definite line between such Powers and the common herd: as a Fascist, he had no real belief in such democratic principles as the equality of nations. The League, in his opinion, was paralysed for action by the necessity for unanimous agreement between over fifty states members, few of whom were directly concerned with many of the subjects which arose for consideration; in the matter of disarmament, such agreement struck him as not only difficult of attainment, but superfluous. A trustworthy pact between the four Great European Powers, either in respect of the maintenance of peace or with regard to their armaments, was likely to be a more easily realized and at least an equally effective method of warding off the only sort of war which really threatened world civilization. This view he had put forward, in a speech in Turin, as early as October 1932, and so far it was probably shared in large measure by the other Powers in the same class.

But Italy had also become convinced that the permanent maintenance of peace depended on the revision of the Peace Treaties. Her advocacy of revision was no longer based, if it ever had been, on a desire to secure a better deal for herself in the process; it was genuinely founded on a desire for peace—peace especially between France and Germany, a contest between whom would raise awkward problems of alliance. The motive being the maintenance of peace, it is clear that the essential scope of the contemplated revision was narrowed; as

an immediate risk of war, neither the grievances of Hungary, Austria, nor Bulgaria were really vital at the moment. The revision in Signor Mussolini's mind was primarily revision in the interests of Germany, and this a territorial revision, for the last thing that the Duce wanted was a German *Anschluss* with Austria. It is important to grasp this point, for it meant in practice that the real threat of the proposed policy was restricted to one nation only—Poland, in relation to the Corridor and in relation to Polish Silesia.

In regard to Signor Mussolini's predilection for the hegemony of the Great Powers, it might seem at first sight that this already existed through the dominant position which such Powers occupied upon the Council of the League. But in regard to treaty revision of the kind contemplated, a discussion in the Council had the obvious disadvantage that it would necessarily be conducted in the presence of the principal opponent, Poland, whose consent would be as essential as it would be unattainable. Such seem to have been the leading ideas in the Duce's mind in proposing a pact between France, Germany, Italy, and Great Britain, which, as described by Mr. MacDonald, had 'as its general purpose, peace, and as its big and almost only detail the revision of treaties'.¹ Such a consultative body would have, in Signor Mussolini's view, the great advantage that on it France would be separated from her anti-revisionist allies, and confronted by two definitely revisionist Powers, and would be dependent for support in her opposition on Great Britain alone, whose views on the subject were at best not wholeheartedly in favour of Poland. It might seem, in such circumstances, that the prospects of French concurrence in the plan were not bright, but France was hardly in a position to return a blunt 'No' to the proposal, thus risking a definitely hostile association between Italy and Germany.

If the aim of the Italian plan was international appeasement, the immediate effects of his suggestion must have been disappointing to the inventor. It aroused an acute and immediate storm, the more bitter because authentic details of the proposal were unobtainable, and a wide margin for

¹ Reply of Mr. Ramsay MacDonald, House of Commons, March 23rd, 1933.

conjecture was therefore left open. The permanent Council of the Little Entente issued an outspoken protest, which was echoed in still more plain language by the press not only of these three countries, but also in that of Poland and France. The British statesmen at once insisted that the proposals were wholly unacceptable in their original form, and M. Daladier, though unexpectedly calm and polite, raised similar objections on behalf of France. In these circumstances, the pact was subjected to a process of emasculation which, if it rendered it harmless, appeared to deprive it of all real purpose or significance; thus amended, it satisfied the objections of the Little Entente, as well as of the proposed parties, who initialed it on June 8th. The suspicions of Poland, however, were not allayed, and we may trace from this point the growing estrangement between that country and France, which became marked after the conclusion, in January 1934, of the Polish-German Pact of non-aggression (see p. 325).

The Disarmament Conference continued

We must now return to a consideration of the Disarmament Conference, with the remark that the intermittent treatment to which we have subjected it corresponded to the realities of the situation. In the discussion of the MacDonald plan, a deadlock was soon threatened by the intransigence of Germany on the point of the proposed standardization of continental armies on a short-service system, for the Germans had by this time completely changed their views on the value of the long-service professional army imposed on them by the Treaty of Versailles. This principle they now wished to retain, and their efforts to do so constituted a complete bar to progress. The situation was further complicated, on May 11th, 1933, by the publication in the German press of an article by Freiherr von Neurath, apparently expressing the intention of Germany to rearm. This was countered by Lord Hailsham, in the House of Lords, by a speech in which he asserted that a refusal by Germany to participate further in the Conference would leave her bound by the provisions of the Versailles Treaty, and that any attempt to rearm would justify the imposition of sanctions. In France, M. Paul-

Boncour echoed the same threat, in the event of German intransigence leading to a break-down of the Conférence. These words were not without effect. On May 13th, indeed, Herr von Papen increased the prevailing tension by a speech eulogizing war, and exhorting German mothers to be prolific, in order that their sons might perish in adequate numbers on the battlefield. But, after a further appeal had been addressed to the nations of Europe by President Roosevelt, the official declaration of policy made by Herr Hitler on May 17th was unexpectedly conciliatory, and cleared the air to a marked degree. Within a few days the German obstructive attitude was abandoned, after which relatively rapid progress was made with the non-committal first reading of the draft convention. A favourable impression was created by a further statement from the United States from which it appeared that they were prepared to undertake to refrain from action tending to defeat collective measures against an aggressor if they agreed with the verdict of the Powers seeking to impose such sanctions. Differences of opinion were still evident, however, and it was clear that the French requirements for security were still far from satisfied. On June 7th the MacDonald draft convention was accepted by the General Commission as a basis, and the Conference adjourned until the autumn.

Germany withdraws from the Conference

Mr. Henderson thereupon proceeded upon a 'disarmament pilgrimage' to the principal European capitals, and independent negotiations were continued. From these it soon transpired that France was unprepared to reduce her forces until the system of control and supervision had been tested, or without adequate guarantees against German rearmament. The idea consequently grew in favour of dividing the period of the Disarmament Convention into two parts, during the first of which the system of supervision would be tested, and there would be limitation but no reduction of armaments on the part of the armed Powers. During the same period, the transformation of continental armies into a standardized short-service system would be carried out, which would

involve the gradual growth of the Reichswehr to the figure permitted in the Convention, but there was to be no rearmament by the disarmed Powers. During the second period, the disarmament provisions of the Convention would be put into effect, on a basis of complete equality. When this proposal was laid before Germany, though it was never accepted, her Government was understood to be more concerned to acquire an immediate right to samples of weapons permitted by the Convention but forbidden by the Treaty of Versailles. On being asked, however, to define these 'samples', they delivered a reply which amounted in effect to a claim to substantial rearmament, and as such could not be admitted. As the day fixed for the reopening of the Conference approached, it was felt that agreement, though not reached, was more nearly in sight than at any other time, and no suspicion seems to have been entertained that what actually happened would occur.

On the morning of October 14th, 1933, Sir John Simon explained to the Bureau of the Conference the proposals outlined above. They were received with general approbation, and even Freiherr von Rheinbaben, who was representing Germany in the absence of his superiors, gave no hint that any untoward happening was in the wind. It is, however, difficult to resist the conclusion that German policy had in fact been determined at a Cabinet held in Berlin on the previous day. The meeting of the Bureau ended about 12.30 p.m., and by 3 o'clock Mr. Henderson had been informed by telegram of Germany's withdrawal from the Conference. Notice of intention to resign from the League soon followed. Both decisions were announced in the mid-day papers in Berlin.

With these announcements, all hope that the Disarmament Conference could achieve any real measure of reduction or limitation really faded from the heart of the world. Efforts were thenceforth concentrated on salving anything possible from the wreck, and on preventing the further disaster of an unchecked competition in armaments. On November 21st, the General Commission adjourned, to make way for 'parallel and supplementary efforts'. Before this, Italy had intimated

her opinion that the continuance of the Conference was a waste of time, and on December 8th the Fascist Grand Council resolved that 'the continued collaboration of Italy with the League of Nations shall be conditional upon the radical reform of the League in its constitution, organization, and objectives within the shortest possible time'. Any faint hope of repentance on the part of the German Government was speedily removed by the overwhelming support which its action received from the people, in a plebiscite held on November 12th. On December 18th Herr Hitler stated the terms on which he was prepared to resume negotiations. He demanded a conscript army of 300,000 men, which was to be permitted all categories of weapons forbidden under the Versailles Treaty but defined as 'defensive' by the Conference. Civil aviation must be free from supervision or restriction, though the principle of supervision was otherwise accepted. The 'para-military' formations—S.A., S.S., and Stahlhelm—were to be regarded as non-military and to be outside the scope of the Conference. Finally, the immediate return of the Saar territory (see p. 332) was demanded, as well as negotiation on the subject of the ownership of its coal-mines.

These conditions were uncompromisingly rejected by France on January 1st, 1934, but Great Britain and Italy adopted a more realistic attitude. As was clearly pointed out by Comte de Broqueville in the Belgian Senate at a somewhat later date (March 6th), Germany could in fact be prevented from rearming only by the adoption of steps which no Power was prepared to undertake. It was, therefore, idle to insist, as did the French, on the manifest fact that the unilateral abrogation of the disarmament clauses of Versailles was being condoned. The proposals of both Italy and Great Britain, therefore, which were simultaneously published at the end of January, accepted a large part of the German claim to rearmament; of the two, Great Britain showed most resistance to them, especially in the matter of aerial armament, where she sought to retain the Versailles restrictions for two years. The main difference between the two proposals was that Italy sought to do no more than stabilize armaments at existing levels, while Great Britain still desired to reach agreement in

a convention involving the abandonment of certain classes of weapons. To meet the French demand for security, consultation was proposed between the signatories of the Convention, in the event of an alleged violation of its terms, and the 'inescapable duty' was emphasized of following up such consultation by the necessary action. These suggestions were badly received in France, between whom and Great Britain relations were becoming increasingly strained. To endeavour to bridge the gulf between the parties was now the main aim of British policy. Mr. Eden departed on a circular tour of negotiation and explanation, which elicited, on April 16th, some modification of the original German demands,¹ and a note from France, on March 19th, which brought the British Government squarely up against the problem of whether they were prepared to go further in the matter of guarantees. An inquiry was sent in reply, asking for information as to the nature of the guarantees thought essential. Meantime the situation was affected by the publication of the figures of the German Budget, showing large increases in military expenditure. In the light of these figures, the French Government now made it clear that no guarantees which could be offered would induce them to agree to any immediate measure of German rearmament.

The reassembly of the General Committee of the Conference, on May 29th, 1934, took place, therefore, in a somewhat hopeless atmosphere. The debate revealed considerable tension, but, at the eleventh hour, a compromise was reached which preserved the Conference in a state of suspended animation. It allotted to committees the further investigations of four questions—regional security pacts, guarantees of execution, air forces, and the manufacture and trade in arms, and recommended the further study, by governments,

¹ In particular, Herr Hitler was ready to accept regulations ensuring the non-military character of the S.A. and S.S. These bodies should possess no arms, nor be trained in their use; they should not be concentrated in military camps, take part in field exercises, or be commanded or instructed by regular officers. It is significant that Captain Rohm, the commander of the S.A., made on April 18th a speech strongly insisting on the importance of that force, and threatening 'ruthlessly to get rid of' men in official positions who were blind to the socialist side of the Nazi revolution (see p. 340).

of a proposal of the U.S.S.R. transforming the Conference into a permanent peace organization of a wholly different character, in which the consideration of disarmament should be postponed to security. But it could hardly be denied that there was a great element of truth in M. Litvinov's criticism, made in putting forward this last suggestion, to the effect that there was a complete lack of agreement on any single concrete proposal, and even on a general formula. In the words of an article in the *Bulletin of International News*,¹

'all hope of disarmament had vanished, that of limitation of armaments had grown tarnished and faded, and the fear of general rearmament and its possible ghastly results had become a threat and a nightmare before the mind of the world.'

¹ June 21st, 1934.

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THE WORLD IN 1934

THE final chapter of this work must necessarily suffer from such a diminution of accuracy as is associated with shots at a rapidly moving target. The characteristic of the situation at the moment of writing (July 1934) is its fluidity, a fact which may render it more susceptible of political and diplomatic handling, but does not facilitate the task of the historian. The probability of important developments between the dates of the completion of the manuscript and its publication has constantly to be borne in mind.¹

The outlook cannot be said to be reassuring. The hostilities between China and Japan have ceased, but the eventual outbreak of war between the latter country and Soviet Russia is in many quarters regarded as almost inevitable, though the passage of time is a factor which seems to work in the interests of peace. In South America, war was still in progress in two regions when the year began, and though the dispute between Peru and Colombia seems at length to have been happily settled, peace between Bolivia and Paraguay has not yet been achieved. Though these conflicts may appear to be of merely local importance, the effects of such examples in a world in which almost all governments have officially repudiated war as an instrument of policy cannot but be regarded as unfortunate. Of perhaps minor importance, from a world standpoint, is the war between Saudi Arabia² and the Yemen, which began in March and was ended on June 23rd by the signature of the Treaty of Taif, which settled in detail the frontiers between the two belligerents.

It is the European situation which is most uncertain and perplexing, and which gives rise to the most serious anxieties. Its salient feature is a fundamental, even if temporary, change in associations or alliances and in policies, which has upset

¹ For example, the Nazi *Putsch* in Austria, and the death of Dr. Dolfuss, occurred after the first draft of chapter was completed.

² On September 18th, 1932, Ibn Saud decreed that the territories previously known as Nejd and Hijaz should be called 'Saudi Arabia'.

calculations based on conditions which have hitherto been regarded as relatively stable. The fears aroused, from about 1930, by an apparent rapprochement between Italy, Germany, and Russia, which it has been necessary to record as elements in the historical situation, have lately been to a great extent dispelled, since the policy of Herr Hitler has alienated both Italy and the U.S.S.R., and aroused their alarm and misgiving.¹ Up to the present year it seemed possible to assume as permanent features in the situation that Soviet Russia was irreconcilably averse from membership in the League of Nations and diametrically opposed to the policy of France. It appeared no less certain that Poland was firmly allied with France, and suspicious of both Germany and Russia.

The Polish-German Treaty

On January 26th, 1934, however, the world was surprised by the announcement of a pact between Poland and Germany, wherein, for a period of ten years, the parties renounced the use of force in the settlement of their differences. It was soon evident that this agreement was taken seriously in Poland, in spite of the fact that its terms merely limited in time the engagements already entered into by both nations as signatories of the Kellogg Pact. It was consequently suspected, in some quarters, that a secret understanding had been arrived at, under which one party or both might be compensated for territorial modifications at the expense of neighbouring countries. Both Lithuania and the Russian Ukraine were freely mentioned in this connexion, though the projected lines of expansion for Germany and Poland respectively were differently interpreted by different people. There may well be, however, a simpler and less sinister explanation. Germany was clearly not in a position to pursue all her dreams of Pan-Germanism simultaneously, and was as yet unready for war; she may well have thought, therefore, that the settlement

¹ A speech delivered by Signor Mussolini on June 15th, 1934, on the occasion of a visit from Herr Hitler, suggests that Italian estrangement from Germany is confined to the question of Nazi propaganda in Austria, and that on other points the policy of the two countries finds much common ground. The difference over Austria is, however, of capital importance at present.

of accounts with Poland must inevitably be postponed to the more promising task of fishing in the troubled waters of the Danube. Poland, meanwhile, having been shocked and perturbed by French adhesion to the Four-Power Pact (see p. 318), and relieved from some of her fears by Germany's retirement from the Council of the League, probably felt that the new agreement offered the best security obtainable for the moment, and that there was no harm in alarming France as to the safety of her alliance, an object which was certainly achieved by the publication of the pact. Had France, faced with the threat of German rearmament, embarked at once on a 'preventive war', Poland would possibly have joined her, but, as no such move was made, a peaceful understanding with Germany, however untrustworthy in the long run, seemed the only alternative. The misgivings aroused in France seem, however, not without justification. Though the German treaty was stated to leave previous engagements unmodified, public opinion in Poland has undoubtedly become increasingly pro-German and anti-French, and, having temporarily secured pacific understandings with her neighbours on both flanks, Poland feels to a large extent freed from her former dependence upon French protection, which had long been somewhat galling to her national pride. Her action seems likely to be more independent than has hitherto seemed possible.

Reversal of Russian policy

Equally important, though perhaps less perplexing, is the complete *volte-face* which appears to have taken place in the policy and orientation of the U.S.S.R. In the early years after the War, ostracized and actively opposed by the victor Powers, the Soviet Government was naturally drawn towards Germany, in a rapprochement of which the first signs were seen in the Treaty of Rapallo of 1922. An estrangement from France was also the natural consequence of the alliance of that nation with Poland and with Roumania, both of whom were in possession of territory which exposed them to a risk, or fear, of Russian hostility. It was, in fact, explicitly against this danger that the Polish-Roumanian alliance of March 3rd,

1921, was directed. A further reason for tension between France and Russia lay in the large proportion of anti-revolutionary *émigrés* who had found asylum in the former country. During the discussions of the Preparatory Commission on Disarmament, and even in the earlier phases of the Conference itself, the policy of Germany and of the U.S.S.R. found common ground in the effort to bring about a substantial reduction in the armaments of the victor Powers; at this stage the French thesis, which postponed disarmament to security, met with the most outspoken criticism from the lips of the Russian delegation. Finally the question of treaty revision, which tended sharply to divide most of the European Powers, was a matter of comparative indifference to the Soviet Government, which wished for peace at almost any price, in order to proceed with the industrial development to which its hopes were pinned.

This desire for peace during the period of industrial development is the clue to Soviet foreign policy not only in its original phase, but when it seemed to assume an entirely new direction. The two new factors instrumental in the change were the threat of war from Japan and the rise of Herr Hitler. That the risk of an attack in the Far East naturally suggested an effort to secure the western frontiers of Russia by pacific agreements with all her neighbours is too clear to need elaboration. The effects of the triumph of National Socialism in Germany were more complex, but worked in the same direction. It was difficult for the Soviet Government to maintain friendly relations with a régime the central note of whose policy was the violent suppression of Communism, or any doctrine savouring even mildly of Karl Marx. Apart from this, not only was the drastic reduction of armaments advocated by the Russian delegates now shown to be unattainable, but even stabilization at existing levels was rendered improbable by the expressed determination of the Germans to rearm. The best guarantee of peace, in the Russian view, would be the co-operation of a number of drastically disarmed states, but, if this solution were rejected, peace could also be maintained, at any rate for a time, by the French plan of armed preponderance over the Power which threatened

to disturb it. The Soviet Government also took into consideration the fact that a large part of the probable field for that German expansion which was contemplated by Herr Hitler and his supporters lay in regions, such as the Ukraine, which was part of the Soviet Union, or such as the Baltic States, which infringed too closely upon Russian territory to be allowed to fall into hostile and violently anti-communistic hands. The combined effect of all these developments was inevitably to range Russia against Germany, and increasingly on the side of the principal anti-German Power—France.

A thread of consistency may nevertheless be traced in the policy which the Soviet Union had pursued ever since the conclusion of the Locarno agreements, but this consistency turns out on examination to be more apparent than real. The earliest series of treaties of neutrality and non-aggression, which the U.S.S.R. succeeded in negotiating between December 1925 and October 1927, were primarily intended to set up a rival system, centred upon Moscow, to counteract the influence of the Locarno Pacts. The easier obligation of neutrality was substituted for that of active assistance to the victim of aggression. The first treaty of this class to be concluded was signed by the representatives of the Soviet Union and Turkey on December 17th, 1925. But a greater diplomatic success was scored on April 24th, 1926, by the signature of a similar treaty with Germany. Afghanistan concluded an agreement of the same kind in August, Lithuania in September 1926, and Persia in October 1927. The duration of the European treaties was for five, and of the Asiatic for three years.

A second phase was reached in the negotiations for adherence to the Litvinov Protocol of 1929 (see p. 172), which was mainly intended to forestall the efforts of Polish diplomacy by bringing the Baltic States to the acceptance of the Kellogg Pact under the aegis of the U.S.S.R. rather than under that of Poland. The intention was partially frustrated when the Protocol was signed simultaneously by Poland, her Baltic neighbours, and Roumania. M. Litvinov's diplomacy achieved, however, a measure of success in obtaining the accession of these countries to his Protocol.

But events in 1931 simultaneously facilitated the attraction of European states into the Russian orbit and provided a fresh incentive for renewed efforts in this direction. The danger of a Russo-Japanese conflict rendered it highly desirable for the U.S.S.R. to secure its western frontiers, while the rise of the Nazi menace in Germany turned the thoughts of France and the states of eastern Europe towards the desirability of achieving improved relations with Soviet Russia. In these circumstances, a fresh series of treaties of neutrality and non-aggression were concluded by the U.S.S.R. in 1931 and 1932 with France, Finland, Poland, Estonia, and Latvia. The Bessarabian question still precluded, at this stage, a similar agreement with Roumania.

A further stage was reached in 1933, when M. Litvinov adopted a modified version of a formula suggested by himself and worked out by M. Politis for the definition of an aggressor. The advisability of such a rigid definition is questioned by a school of thought, particularly in Great Britain, which holds that it would be better for nations acting collectively for the maintenance of peace to play the part of a policeman in a street fight, who intervenes impartially in the interests of peace, without entering into the disputable question as to which of the combatants was primarily responsible. Experience has also shown that the initial act of aggression is almost invariably disavowed by the government of the nation resorting to it. This will have been noticed by the reader in the cases of the Paraguayan attack on Fort Vanguardia, and the Peruvian capture of Leticia, while the Japanese military action in Manchuria was also at first discountenanced by the Tokio Government. D'Annunzio's occupation of Fiume (p. 81) and Zeligowski's occupation of Vilna (p. 88) are further instances tending to show that this is an almost invariable procedure, which affords a pretext for condoning such aggression. But France has always laid great stress on the desirability of defining the aggressor, and the Litvinov definition, which was embodied in fresh conventions signed by most of the adherents of his pacts of neutrality and non-aggression, tended therefore to bring about a closer rapprochement between France and Russia. But the new

orientation of Soviet policy became more clearly apparent when, in May 1933, M. Radek, in a series of articles in *Izvestia*, pronounced decisively against treaty revision, stating that—

‘The way to revision of the predatory Versailles Peace leads through a new world war. Discussion of revision is the smoke-screen behind which Imperialism prepares the most terrible and ruthless war that the human brain can conceive.’

Soviet Russia was from this point ranged definitely in the anti-revisionist camp, and for the completion of the process only two things were necessary—the substitution of mutual assistance for neutrality, and the accession of the U.S.S.R. to the Covenant of the League of Nations at the moment when Germany had repudiated it.

M. Barthou's project of Mutual Guarantee

These final desiderata became elements in a plan put forward by the French Foreign Minister, M. Barthou, in the summer of 1934, for the conclusion of an Eastern Pact of Mutual Guarantee on the lines of the Locarno agreements, an essential part of which was the accession of Soviet Russia to membership of the League of Nations.¹ Besides a regional pact of mutual guarantee, to which Soviet Russia, the Baltic States, Poland, Czechoslovakia, and Germany were to be parties,² Russia was also to be connected up with the existing Locarno treaties, in return for a French guarantee of the Russian frontiers. Great Britain and Italy, while refusing to undertake fresh obligations, gave their support to this plan on the assumption of its strict mutuality, and British diplomacy was actively engaged in recommending it to the

¹ The U.S.S.R. was admitted to membership of the League at the session of the fifteenth Assembly held on September 18th, 1934.

² In *The Times* of September 11th, 1934, it was announced that the German Government had rejected the proposal, informing the Governments concerned that she saw no possibility of joining such an international system of treaties so long as her right to equality in armaments was placed in doubt by certain Powers. At the same time the German Government expressed her preference for two-sided treaties rather than multi-lateral pacts. Only two days later it was semi-officially announced that the Polish Government was opposed to the principal of the proposed pact and like Germany preferred the system of bi-lateral agreements.

favourable consideration of Germany. There can be no doubt that the scheme, if carried through in all its details, would be a notable step towards the achievement of European security, but in Germany it is at present (July) regarded merely as a fresh move in the direction of her encirclement, and indeed the elements of it which seem most likely to be secured have the aspect of an anti-German combination.

The Balkan Pact

In the meantime another, though less important, pact of mutual guarantee had actually come into existence. On February 9th, 1934, a treaty was signed in Athens by the representatives of Greece, Yugoslavia, Roumania, and Turkey under which the parties agreed mutually to guarantee their Balkan frontiers, to consult together on measures affecting their interests, not to embark on any political action towards a non-signatory Balkan country without previous discussion, and not to assume political obligations towards such countries without the general consent of the signatories. The effect of this pact is definitely anti-revisionist at the expense of Bulgaria, which has therefore refused to adhere, while the absence of Albania is probably to be explained as the result of Italian dissatisfaction with an agreement calculated to impede revision and in particular to preclude the realization of Bulgarian claims which Italy regards as just. Since it is likely to lead Bulgaria to look elsewhere for support, the pact appears to frustrate the object at which it was originally believed to be aimed, namely the liberation of south-eastern Europe from dependence upon any of the Great Powers. Unless its basis can be broadened, the utility of this agreement therefore remains questionable.

The Crisis in the Saar

In the early part of 1934, apart from the risk of Russo-Japanese hostilities, there were two main danger-points in Europe which gave rise to widespread misgivings. In a debate in the French Chamber on May 25th, a deputy described the question 'si, vraiment, nous aurions la guerre

cette année' as one constantly asked by the peasants of his constituency, and the answer of M. Barthou was not completely reassuring.

'I do not think so. Need I add that the French Government does not want it, that no Frenchman wants it? We will do everything to avoid it. We will avoid it.'

The Polish question having been apparently safeguarded from the risk of immediate crisis, the two danger-points remaining were the Saar and the Austrian problem. Of these, the first was happily removed from the list by a Franco-German agreement of June 2nd, 1934, but the critical situation in the Saar territory which preceded this arrangement calls for some reference in the history of the year. As mentioned in Chapter II (p. 22), the Treaty of Versailles had placed the administration of this region under a Commission of the League of Nations until 1935, in which year the inhabitants, resident on June 28th, 1919, were to decide by plebiscite between three alternatives, in respect of the whole or part of the territory:

- (a) Maintenance of the Treaty régime.
- (b) Return to Germany.
- (c) Transfer to France.

The third alternative has never been considered to have any popular support, and, until the accession to power of the Nazi régime, it was generally felt that the decision would be in favour of return to Germany by an overwhelming vote. Prior to 1933, however, the predominant parties in the Saar were the Catholic Centre, the Social Democrats, and the Communists, and, though the members of the first appear mostly to have joined the 'Deutsche Front'¹ the two latter have organized a strenuous anti-Nazi propaganda. The ultimate attitude of the Catholic vote may be materially affected by Herr Hitler's relations with the Vatican. Since the rise of National Socialism, therefore, there seemed to be a certain risk that parts, at any rate, of the territory might show a majority in favour of the existing régime.

In these circumstances, the Nazi party embarked upon a

¹ The local Nazi organization.

campaign of threats and terrorism which gave rise to complaints not only on the part of anti-Nazi refugees and residents, but on that of the Chairman of the Commission, Mr. Knox, in official reports and correspondence. In a letter published on May 8th Mr. Knox expressed fears of a *coup de main* directed against the Commission, while his reports to the League referred to Nazi endeavours to set up a *de facto* government side by side with the local administration. The Nazis, in fact, regarded as traitors to Germany all who were prepared to oppose reunion with the Reich, and the danger of reprisals directed against such persons, whether voters or refugees of a later date, weighed heavily in inducing French opposition to a plebiscite which, it was maintained, would be 'une dérision du plébiscite qui serait en quelque sorte criminelle'.¹ The French Foreign Minister, in fact, conceived it his duty to assure the safety not only of voters, but of refugees. In his speech on May 25th, above referred to, he mentioned a case where the Socialist leader in the Saar had been hanged in effigy, and added, to universal applause:

'If I had delivered this man and the other inhabitants who are not voters to eventual and too certain reprisals, could I have presented myself before this Assembly [the Chamber], which I know is dominated by respect for rights and liberties of every kind?'

The tension at the end of May was thus peculiarly acute, and there existed considerable fear that an incident might occur leading to a clash between France and Germany which might have far-reaching consequences. Great relief was accordingly occasioned by the announcement, on June 2nd, of the agreement by which the French and German Governments bound themselves.²

1. To abstain from pressure or reprisals, and to prevent and punish any action by their nationals contrary to these undertakings.
2. To maintain for a transitional period, of one year from the establishment of the final régime, a supreme Tribunal, to

¹ M. Barthou in the French Chamber, May 25th, 1934.

² These undertakings only applied to those who had the right to vote, but all inhabitants of the Saar were to have the right to appeal to the League Council against any form of maltreatment.

hear complaints of any such reprisals and to award appropriate reparation.

3. To refer any difference between them and a member of the League Council regarding the application of these undertakings to the Permanent Court of Arbitration.

The Council of the League, on June 4th, adopted the report embodying this agreement and reserved its right to extend to non-voters the protection it provided for the electorate. It also fixed the date of the plebiscite on January 13th, 1935 and adopted provisions, outlined in the agreement for the organization and conduct of the plebiscite.¹

The problem of Austria

The Saar and the Polish Corridor having thus been removed for the moment from the list of questions fraught with a serious menace to the peace of Europe, only one major problem seemed to remain, but this was incomparably the most dangerous and complicated. It was indeed natural that Herr Hitler should be prepared to leave in abeyance all other steps towards the realization of his dreams of German expansion, in order to concentrate upon the *Anschluss* with Austria, a part of the Nazi policy to which the Führer, as a native of that country, was believed to be peculiarly attached. This phase of his programme had the obvious advantage that, while it might entail war, it did not involve Germany in its initiation; on the contrary, it thrust upon other nations the onus and responsibility of preventing, in the last resort by forcible measures, a union between the two nations at the expressed desire of both of them; in other words resistance to an Austro-German union gave the principle of the balance of power, which the Peace Conference had ostensibly repudiated, precedence over that of self-determination on which the Treaties were mainly based. The object in view might, moreover, be attained by stages so gradual that opposition to each progressive move would be rendered

¹ The hopes raised that the conclusion of the agreement would lead to a relaxation of Nazi interference in affairs in the Saar have not been fulfilled. On the contrary, during July and August the 'Deutsche Front' intensified its campaign on behalf of Germany, carried on a system of espionage, and maintained close relations with the Secret Police in Berlin.

difficult. To encourage, therefore, the growth of National Socialism in Austria seemed the most promising line of approach to the realization of an important part of Herr Hitler's political aims.

To do this necessitated, however, the overthrow of the existing Austrian Government, presided over by Herr Dolfuss, and a constant stream of criticism directed to this end, and combined with collaboration with the Austrian Nazis, was poured from Germany from the first moment when Herr Hitler attained to power, firstly by the machinations of German agents in Austria itself, and later, when these had been ejected, in June 1933, through the use of the more elusive weapon of wireless broadcasting. Herr Dolfuss, the Austrian Chancellor, occupied at this time a somewhat precarious position, engaged as he was in a simultaneous domestic contest on two fronts, against Nazis and against Socialists. His situation, indeed, might have been untenable under a parliamentary régime, but the providential resignation of the President and Vice-Presidents of the National Council, almost exactly at the moment of the German elections which had consolidated the Nazi power, had enabled the Chancellor to dispense with parliamentary government, and to assume a position of virtual dictatorship. He was thus enabled to take energetic measures to suppress the terrorist activities of the Austrian Nazis, but he was handicapped by the fact that his principal supporters had Fascist leanings, which rendered them more concerned to repress Marxism than Nazism, with many of the ideals of which they were in obvious sympathy. His leading coadjutors, Prince Starhemberg and Major Fey, were leaders of the Heimwehr, an armed organization originally formed to combat Socialism, and, while Major Fey was induced to pronounce definitely against the Nazi party, Prince Starhemberg's objections to it were mainly confined to the personnel of its German leaders, while many of the rank and file of the Heimwehr were known to have Nazi proclivities. Herr Dolfuss was therefore forced to humour his supporters, and this led, on February 12th, 1934, to extremely drastic action against the Austrian Socialists, who were provoked into armed

resistance and then ruthlessly suppressed by the use of artillery, with a loss of many hundred lives. This sanguinary policy probably tended still further to discredit the Government, and to provide the Nazis of Austria with many new recruits.

External reactions of Austrian Policy

The difficulties of Austria, both political and economic, have led to a number of different suggestions for the solution of the Danubian problem, which have been variously received by external and neighbouring Powers. The German solution, aiming eventually at an *Anschluss*, meets with a general opposition, which, however, in some quarters is rather hesitant in view of possibly worse alternatives. It is in opposition to this phase of Nazi policy that the Austrian Government is most united. Uncompromising opposition to it unites on this point the policies of Italy and France; Czechoslovakia has pronounced against it, and would, indeed, seem to be the state most prejudicially affected by such a policy, though M. Beneš, in a recent speech, has somewhat surprisingly declared that such a solution was originally contemplated by himself and President Masaryk, and that 'we should not fear this eventuality even to-day, should the Western Powers of Europe be unwilling to prevent it'.¹ It may be doubted, however, whether this statement would have been made if the last contingency had been thought probable. Of the remaining states of the Little Entente, Roumania may be counted among the opponents of the Austro-German union, in all circumstances,

1. Austro-German union is not regarded as a serious menace to Yugoslavia, while its probable effects on Italian influence in south-eastern Europe might be considered as welcome. As an alternative to Italian domination in the Danubian basin, or to Austro-Hungarian union under a Habsburg régime, it would probably be accepted in Yugoslavia. German diplomacy has recently been cultivating the closest relations with Belgrade, and it is reported on

¹ Speech in the Foreign Affairs Committee of the Czechoslovakian Parliament, March 21st, 1934.

trustworthy authority that the Nazi movement in Austria has received much support and help from Yugoslav territory.

A rapprochement between Italy, Austria, and Hungary seems to be a solution favoured by Signor Mussolini, who procured, in Rome on March 17th, 1934, a meeting with Herr Dollfuss and General Gömbös, the representative of Hungary, at which three protocols were signed with this object. In Austria itself, where Fascist elements have naturally favoured Italian co-operation, this solution has been associated in some quarters with a restoration of a Habsburg Austro-Hungarian monarchy, a scheme which might lead to a crisis with Germany, while all the neighbouring states are violently opposed to it for obvious reasons, which lead them to view with some apprehension any Austro-Hungarian rapprochement in which they are not themselves included. Any extension of Italian influence in the Danubian basin is particularly unwelcome to Yugoslavia. The solution of an Austro-Hungarian union under the ægis of Italy, no less than that of an Austro-German *Anschluss*, means a wedge driven into the jaws of the Little Entente, and is therefore unacceptable to its members as a whole, who, as a choice of evils, would probably prefer German influence to Italian. It must be remembered that an Italo-Austro-Hungarian bloc raises the question of treaty revision in a form vitally affecting the Danubian succession states; the territorial claims of Germany are of less concern to them.

The French contribution to the Danubian problem, put forward by M. Tardieu in 1932, was an economic association of Austria, Hungary, and the three states of the Little Entente, but this scheme was opposed by Germany and Italy, and was not wholly welcome to all the countries immediately concerned; though a solution of some kind which left the Danubian and Balkan countries to themselves, free from external intervention by the Great Powers would probably be generally welcomed in this region. The only remaining expedient is to continue to maintain Austria as an independent unit, in spite of her economic weakness and the possible desires of her people, and this policy, which has the support of M. Beneš in Czechoslovakia, was adopted by France, Great

Britain, and Italy in a joint statement issued on February 17th, 1934, in which they declared that their Governments took 'a common view as to the necessity of maintaining Austria's independence and integrity in accordance with the relevant treaties'. This declaration had the effect of temporarily silencing to some extent Nazi-*Anschluss* propaganda from Germany, but it was evident that the possibilities of an international conflict over this issue, or over its alternatives, were not yet exhausted.

Death of Herr Dolfuss

During the week beginning July 22nd, 1934, exceptional activity was observed among the Austrian Nazi legionaries quartered in Germany in and about Munich. Lorries loaded with armed Austrians passed every night towards the frontier and returned empty to Munich. On the 25th a large party of armed men broke into the Chancery in Vienna and made temporary captives of the ministers there present. There was to have been a full cabinet meeting at the time, but, owing to a warning received, it had been postponed. The Chancellor, Herr Dolfuss, was separated from his colleagues and shot. Simultaneously, another group of Nazi conspirators entered the Vienna broadcasting station, and announced to the world the resignation of the Chancellor. This was probably intended as a signal for a general rising in other parts of the country, which indeed broke out in several places, especially in Styria and Carinthia, but order was restored in a few days after some heavy fighting. The rebels in the Chancery, on being confronted with the forces of order, released their prisoners and were eventually promised permission to retire to Germany under a safe conduct to which the German Minister in Vienna seems to have been a party. It was subsequently contended, however, that this arrangement had been conditional on the avoidance of bloodshed, and this condition having been violated, the protection was withdrawn and the conspirators arrested. The German Government, too, repudiated the action of their Minister, and recalled him in disgrace for having entered into such an arrangement without authority from Berlin. A further

result was the dismissal of Herr Habicht, the German 'inspector for Austria', stationed in Munich, whose broadcast attacks upon the Dolfuss Government had been for a long time notorious. Except for the elimination of the Austrian Chancellor himself, the coup seemed to have failed, while the indignation universally aroused in other countries by the outrage was everywhere manifest. Signor Mussolini, indeed, went so far as immediately to move troops to the Austrian frontier, and he declared, in a message to Prince Starhemberg, which significantly referred to 'those involved from afar', that the independence of Austria would be defended by Italy even more strenuously than before. In these circumstances the correctness and moderation of the official German attitude is readily intelligible. The pronouncements of the Nazi press were, however, less guarded: several papers endeavoured to represent the *coup* as a natural explosion of the popular will, and 'a warning to all who think they can trample on the right of a people to determine its own destiny'.¹ Most striking was a statement issued on the day of the *coup* by the official *Deutsche Nachrichtenbüro*, and hurriedly withdrawn immediately afterwards. This represented the rising as 'a revolt of the whole people in Austria' against 'their gaolers, torturers, and oppressors'. Imprudently assuming the success of the movement, it added, 'the triumph over the Government of Dolfuss is being hailed by Germanism . . . The new Government will see to it that . . . Pan-Germanism is given a home also in German Austria.' The appearance of this statement may suggest a doubt whether the attitude of Germany would have been the same, if the *coup* had been successful.

Herr Hitler's 'coup' of June 30th, 1934

The enforced postponement of the external policy of National Socialism in all its aspects, removed from the Nazi party most of the ground on which it was really united. Herr Hitler's references to the Polish pact, on January 30th, were met with a significant lack of applause, and the restraint which he felt compelled to exercise over the activities of his

¹ *Völkischer Beobachter*, July 26th, 1934.

supporters in the Saar and on the Austrian frontier, even before the events of July 25th, can hardly have been more popular. The party was driven back to a more exclusive consideration of domestic aspects of its policy as to which considerably less unanimity prevailed. As the expectations of the National element were disappointed, those of the Socialist side began to be impatiently emphasized. A prominent supporter of the view of this left section of the party was Captain Röhm, Chief of Staff of the Nazi private army, the brown-clad S.A. or Sturm-Abteilungen. He was credited with contemplating a socialistic programme of a drastic kind, highly obnoxious to the Junker and industrial interests from whom Herr Hitler derived essential support. The S.A. had in fact become something of a nuisance and a menace to the Führer, which may account for his willingness, expressed in his offer of April 16th, to deprive the force of its arms and forbid its participation in military exercises (see p. 322 n.). Röhm, on the other hand, kept pressing for the wholesale incorporation of his storm-troopers, as units under their own officers, in the Reichswehr, and endeavoured to exalt the importance of the S.A. in every possible way. For the development of his plans, in face of official opposition, Captain Röhm and his associates are reported to have entered into an intrigue with General Schleicher and an unspecified representative of a foreign Power, the details of which, unless Herr Hitler's account can be implicitly trusted, remain very obscure. The leading ideas seem to have been that Röhm should be appointed to the effective control of the regular army as well as of such 'patriotic associations' as the S.A., and that General Schleicher should replace Herr von Papen in the Vice-Chancellorship. The arrest of Herr Hitler was asserted by the Führer himself to have been an integral part of the plot, but as to this point a considerable amount of scepticism prevails.

On getting wind of the intrigue, Herr Hitler took immediate and drastic steps. He may possibly have thought that the fortunes of his régime called for a further dramatic 'salvation of the country', such as the episode of the Reichstag fire and the retirement of Germany from the League and the

Disarmament Conference had provided at earlier stages. If so, he would appear to have made a miscalculation. His action, whatever the motive, was to swoop suddenly upon the alleged conspirators in Munich and Berlin, and to shoot Röhm, General Schleicher (and his wife), and a large number of other suspects out of hand. There was no pretence of a trial, and at least one of those killed was admittedly the victim of mistaken identity. 'In these twenty-four hours', said the Führer, 'I was the supreme court of the nation in my own person.'¹ The number of victims was officially given as 77, but this was generally regarded as an understatement, and it was said that the length of time during which firing was heard to be in progress must inevitably have accounted for a much longer list, which has been estimated at over 200.

The uncertainty of the international outlook has been seriously increased by this occurrence. This primitive and uncivilized resort to the massacre of erstwhile associates and possible rivals suggests a feeling of insecurity which it may well convert to a reality. If Herr Hitler were to be removed, the future would be altogether incalculable. The threat of the original Nazi policy to European peace is evident, but the restraint exercised upon his followers by Herr Hitler, under the responsibilities of office, had brought a temporary ray of hope into the situation. A successor might act with more, or less, moderation; the Führer, again, to recapture a waning popularity, might be forced to be more intransigent. Anything, therefore, may happen.²

Is it peace? The first answer, as of old, must be 'What peace?' General peace in Europe for the moment seems tolerably secure, for, though an irresponsible ebullition of Pan-Germanism might result in military intervention, an isolated and not yet rearmed Germany cannot be a serious danger. The risks associated with a Russo-Japanese conflict are also, in existing circumstances, not immediately threatening. Aggression from any other quarter does not appear

¹ Speech of July 13th, 1934.

² The uncertainties of the situation have been, perhaps, increased by the death of President Hindenburg on August 2nd, and the combination of the offices of President and Chancellor in the person of the Nazi leader.

probable. The situation would be completely altered were Germany rearmed, and reconciled with other important revisionist Powers. In such a case, the question, 'What peace?' would assume a different form. There is a price at which peace, of a kind, can generally be preserved, for the most militant aggressor will hardly resort to actual war if he can secure his most outrageous aims by a mere threat. But to those who think, with the present writer, that the real evil of war is the subordination of justice and order to brute force, rather than the loss of life to which each of us is eventually destined in any case, such a 'peace at any price' may well seem no peace at all. To buy off the bully by capitulation to his demands leaves might still triumphant over right, even though no single bomb be dropped or gun fired. We may retain the deepest respect for the conscientious pacifist, who turns his own cheek and pursues his ideal of non-resistance at whatever cost to himself, but such martyr spirits will always be in a small minority. As a whole, a non-resistant community is actuated by ignobler motives, and there is a danger of becoming so impressed by the destructive possibilities of modern war as to be willing to sacrifice the rights of others and the principles of our civilization to our personal safety. To some of us, peace so secured seems more immoral than war. For those who think otherwise, peace of a sort may perhaps be preserved by the methods of pacifism.

Real peace, the reign of international justice, where no concession is made to the threat of violence, and where no nation is the sole judge in its own cause, is a more difficult as it is a worthier aim. It may indeed be unattainable. It may be that war, like death, is ultimately inevitable, and that the best we can do is to prolong peace, as a doctor prolongs life, with the possibility of failure continually beside us. But the post-War system was built up upon a more hopeful assumption, without which, indeed, it would lose its *raison d'être*, since for the mere postponement of disaster the older methods were at least as efficient as its own. The world's choice of policy must be determined by the nature and extent of its faith. But the present situation is a halting between two opinions in which neither is whole-heartedly applied. The

preservation of true peace requires courage, a combined purpose, and an unmistakable resolution to go to all lengths to achieve it. If these qualities exist in the world to-day, war can be permanently banished by the methods contemplated in the League Covenant, whose framers were right in believing that its system, if a reality, genuinely trusted and feared, would in practice never be called upon for extreme measures. A real collective system would have the further advantage that, whatever happens to disarmament, there need be no exhausting and disastrous 'armaments race', for no single Power could hope to arm in competition with the whole community of nations. But the system must be a reality.

If our world does not possess the requisite courage and cohesion, then we had better abandon our dream of a warless future, and revert to the limited objective of 'peace in our time'. With such an end in view, we may still turn for counsel to the pre-War system. At its worst, it was less dangerous than a paper façade, which no nation trusts or fears. At present, it seems, nations which should trust are dominated by fear, and those which should fear are emboldened. Propaganda which dwells on the horrors of another war has overshot its mark. Fear achieves nothing. The nations retire to their separate 'funk-holes', and leave the field clear to the ruthless and determined aggressor. When we are told that another war means the destruction of our civilization, the question still remains whether a civilization so effete as to shirk its obligations to prevent the use or the successful threat of force is worthy of preservation. The peoples of the world seem at times to resemble a crowd in a small room, in the centre of which one or two lunatics are playing with a bomb. Each one finds excuses for non-interference, and makes futile efforts to keep as far away as possible. Meanwhile the pin, slowly but surely, is being loosened from the bomb.

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